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The news of grain-based foods
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TUES | 08 08 2023

Setback for US flour production recorded in second quarter

WASHINGTON — Flour production in the second quarter of 2023 fell to 102,974,000 cwts, according to data issued Aug. 1 by the National Agricultural Statistics Service of the US Department of Agriculture.

Flour production in the second quarter was down 4,433,000 cwts, or 4.1%, from the quarterly record of 107,407,000 cwts in April-June 2022 and was down 1,833,000 cwts, or 1.7%, from 104,807,000 in the first quarter of 2023.

Other than April-June 2020, an anomalous quarter because of the COVID-19 pandemic, US flour production in the most recent quarter was the smallest three-month period for any quarter in 10 years, or since mills produced 102,932,000 cwts in January-March 2013 and the smallest second quarter since 101,936,000 cwts of flour in April-June 2012.

Flour mills in the second quarter of 2023 operated at 84.4% of six-day daily milling capacity, compared with 87.6% in the second quarter last year and 86.7% in the first quarter of this year. Again, excluding the second quarter of 2020, when mills ran at 81.5% of capacity, the second-quarter operating rate in 2023 was the lowest since 82.9% in July-September 2019.

Daily 24-hour milling capacity in April-June 2023 was 1,584,986 cwts, down 7,344 cwts, or 0.5%, from the second quarter last year, and down 6,000 cwts, or 0.4%, from the first quarter of this year. The all-time capacity peak was 1,674,210 cwts in the third quarter of 2019, or a difference of 89,224.

For the first six months of the year, January-June flour output aggregated 207,781,000 cwts, down 6,097,000 cwts, or 2.9%, from a record 213,878,000 in January-June 2022. It was 206,955,000 cwts in the first half of 2021.

The 12-month rolling flour production total (July 2022-June 2023) was 424,187,000 cwts, down 3,912,000 from 428,099,000 cwts the year before. The record for any 12-month interval was 431,797,000 cwts in

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Cannabis, tapioca, green lentil and vegetable flour among ingredients manufacturers are turning to for spark.

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[1] Most consumers cannot taste a difference. Based on a third-party triangle test conducted with 152 consumers, test and control cakes are not perceptibly different at the 95% confidence level; test cakes featured 50% replacement of egg with Ardent Mills Egg Replace.

[2] Pound for pound, Ardent Mills Egg Replace can help you save 50-65% in ingredient costs as compared to using an equivalent amount of dried whole eggs, based on USDA median monthly pricing.

[3] For more information on vegan at Ardent Mills, please visit: ardentmills.com/media/3743/ardent-mills-non-animal-testing-vegan-vegetarian-statement-may-2023.pdf

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Lee Sanders stands as role model for effective, inclusive professionalism

After 30 years, Lee Sanders is stepping down as vice president of government relations and public affairs of the American Bakers Association. A look back at her career shows an exemplary track record of industry service.

First recruited by Paul Abenante to the ABA in 1993 to assist with legislative and regulatory matters, Ms. Sanders in the years that followed gained renown for her developing expertise at crafting positions that reflected the views of the baking industry broadly, aggressively helping the industry pursue its agenda on Capitol Hill, at agencies throughout the Beltway and, more recently, at the state level. Colleagues at the ABA admire Ms. Sanders for her deep knowledge of industry issues, from Chinese honey to the Conservation Reserve Program, and for her expertise in the ins and outs of the regulatory process.

At a time when lip service is paid to the idea of inter-organizational collaboration but "guarding my turf" remains the norm, Ms. Sanders for years has been a role model for association professionals. Beyond her considerable workload drafting letters or comments advocating sensible regulations and policies, Ms. Sanders has devoted countless hours to working across the breadth of the grain-based and even the entire food and beverage industry to pursue common interests. This work was fully aligned with ABA's vision of becoming an organization that helps the baking industry grow and prosper through "public policy, education and networking."

In becoming involved in organizations beyond the ABA, Ms. Sanders went far beyond making obligatory appearances. Rolling up her sleeves, she has spent more than a decade on the board and executive committee of the Wheat Quality Council, serving as board chair from 2016-17. For her work toward improving wheat and flour quality, she received the WQC's Full Kernel Award in 2017. At AACCI (now the Cereals & Grains Association), Ms. Sanders is a past chair of the Milling & Baking Division and was honored with the Myron D. "Mike" Baustian Memorial Award for outstanding service. She has similarly been engaged with and honored by the American Society of Baking.

In becoming involved in organizations beyond the ABA, Ms. Sanders went far beyond making obligatory appearances.

Ms. Sanders' commitment to outreach and collaboration also is evident in her work to help establish and lead the Food and Beverage Issue Alliance (FBIA), a coalition of more than 50 food industry organizations working together with the Food and Drug Administration (FDA) and the US Department of Agriculture (USDA) driving action on industry priorities. To promote diversity in baking, Ms. Sanders established and serves as president of the Society of Bakery Women, a networking and mentoring organization for women in the industry. The group has 300 members and a LinkedIn community of 5,400 in 92 countries. She also has led the Grain Chain, a "farm to fork" coalition of 11 industry groups.

Asked recently what achievement during her time at the ABA gives her the greatest sense of pride, Ms. Sanders could have cited any number of monumentally important legislative or regulatory issues touching every corner of baking, from the implementation of the Nutritional Labeling and Education Act to the Food Safety Modernization Act. Instead, Ms. Sanders spoke of work the entire ABA team did to help keep baking companies operational during the COVID-19 pandemic. In addition to numerous resources the ABA helped provide members, she said the success the baking industry enjoyed in sustaining its operations during the crisis days of the pandemic would not have been possible without the bond with other industry associations forged through the FBIA and the lines of communications with the FDA and other agencies kept open through the alliance.

Finding capable organizational leadership ranks high among challenges facing the corporate and association world today. Ms. Sanders is more than capable. She is calm, caring, committed, competent, connected, effective, experienced and very knowledgeable. In leaving the ABA, Ms. Sanders declared her "passion for the baking industry will never diminish." It is hoped her next chapter lands this gifted professional within or as close as possible to the orbit of the grain-based foods industry. MBN

Josh Sosland, Editor

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NEWS BRIEFS

STARBUCKS SEES ALL-TIME HIGH FOOD ATTACH

SEATTLE – Net earnings attributable to Starbucks in the third quarter ended July 2 totaled $1.14 billion, equal to 99¢ per share on the common stock, up 25% from $912.9 million, or 79¢ per share, in the prior-year period. Net revenues totaled $9.17 billion, up 12% from $8.2 billion in the year-ago quarter. "This past quarter, we saw all-time high food attach and sales of breakfast sandwiches," Laxman Narasimhan, chief executive officer, said during an Aug. 2 conference call with analysts. "As an attached business, food drove a higher ticket in the quarter, improving volume growth and contributing to the record average weekly sales. Overall, we are excited about the significant opportunity in food as we explore new, elevated and convenient food offerings."

KRAFT HEINZ HIRES NEW HEAD OF N. AMERICA

PITTSBURGH – Helen Davis has been named senior vice president and head of North America operations at Kraft Heinz Co. Ms. Davis brings more than 25 years of experience to her new role, most recently as head of supply chain North America beauty, well-being and personal care at Unilever. Earlier, she spent many years at Coca-Cola Co. in supply chain and logistics roles.

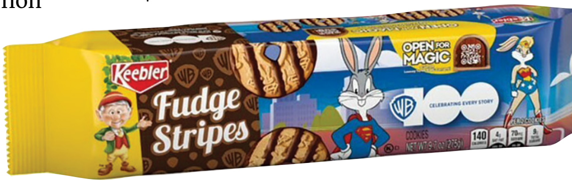
Davis

BAKERY EXPRESS MIDWEST TO OPEN KENTUCKY PLANT

FRANKFORT, KY. – Commercial baking manufacturer Bakery Express MidWest is building a $10 million facility in Boone County, Ky., that is expected to create over 175 full-time jobs in the region. The new 35,000-square-foot facility will produce sweet baked goods, including donuts, cookies, cakes, pastries, muffins and more, for distribution in Kentucky, Ohio, Indiana and Tennessee. Construction is slated to begin in late 2023 with completion expected by December 2024. The Bakery Express facilities currently employ 620 people and distribute wholesale baked foods to more than 4,000 retail outlets nationwide. In addition to wholesale distribution, most Bakery Express locations also feature a retail bakery storefront.

KEEBLER DEBUTS LOONEY TUNES COOKIES

PARSIPPANY, NJ. – The Keebler Co., a Ferrero Group brand, has partnered with Warner Bros. Discovery Global Products to launch limited-edition Looney Tunes fudge stripes cookies. According to Keebler, the new version of the company's well-known fudge stripe cookie products, which are shortbread cookies drizzled in fudge, comes in packaging that features iconic Looney Tunes characters reimagined as DC superheroes. Keebler also said it created an interactive digital platform to celebrate Warner Bros. 100-year anniversary called Open for Magic, which is full of family-friendly content, games, activities and recipes. The Keebler Looney Tunes fudge stripes cookies are available online and in select retailers through September. MBN



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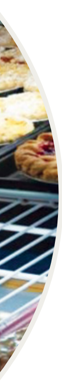

BISOUSWEET SECURES $1.25 MILLION LOAN

LEOMINSTER, MASS. – Woman-owned and operated baking manufacturer Bisousweet Confections LLC has secured a $1.25 million loan from MassDevelopment, a development finance agency and landbank for the state of Massachusetts, to renovate and replenish equipment at its Leominster facility. Bisousweet moved into the 20,000-square-foot facility in October 2022, quadrupling its production space and adding 20 jobs to the company. Bisousweet was founded by Karen Collins in the early 2000s as a direct-to-consumer bakery out of her home kitchen. In 2009, the company signed its first wholesale deal and expanded into a commercial kitchen. The company offers cookies, cakes, bars, baked donut muffins, biscotti, Linzer hearts and whoopie pies.

RADEMAKER HIRES DOUGH TECHNOLOGIST

ELK GROVE VILLAGE, ILL. – Rademaker USA, a global provider of industrial equipment to the baking industry, hired Spencer Hendrickson as dough technologist for the North American market. Mr. Hendrickson will be managing equipment testing and handling demonstrations for the Rademaker Experience Center, which will be opening at the end of the year in Elk Grove Village. “His knowledge of craft baking and high-end pastry is exactly where Rademaker is as an organization, and we look forward to his contributions to our organization and to our customers,” said Eric Riggle, president of Rademaker USA. Mr. Hendrickson previously served as head pastry chef at Hewn Bakery in Evanston, Ill.

Hendrickson

TOMBSTONE LAUNCHES BAR SNACKS PIZZA

SOLON, OHIO – Nestle USA has expanded its pizza lineup with the launch of Tombstone Bar Snacks Pizza. The pizza is topped with mozzarella sticks, fried pickles, fried onions, jalapeno slices and nacho cheese sauce. “We’re doubling down on our born-in-a-bar heritage with this limited-edition pizza,” said Neil Morrissey, marketing brand manager at Nestle. “The Bar Snacks Pizza uniquely captures the spirit of everyone’s favorite bar in a way that only Tombstone pizza can deliver.” MBN

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Mennel Moment

Michigan still harvesting soft winter wheat in Central states

US Wheat Associates in a July 28 update said, based on testing of 232 soft red winter wheat samples, average protein was 9.23% (9.66% as the five-year average), falling number was 318 seconds (309 seconds), thousand kernel weight was 35.81 grams (32.46 grams), test weight was 60.2 lbs per bu (58.9 lbs), average grade of US No. 1 Soft Red Winter Wheat.

Winter wheat harvest was 62% complete in Michigan (80% as the five-year average) as of July 30, with other Central states finished.

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EU accuses Russia of weaponizing food 'to create new dependencies'

KANSAS CITY — Having directly targeted and damaged Ukraine grain assets at Black Sea ports and on the Danube River since withdrawing from the Black Sea Grain Initiative on July 17, Russia has sent Ukraine and the entire world a chilling message, said Stephen Nicholson, global sector strategist, Grains & Oilseeds, at Rabobank.

"It reemphasizes to me that Russia has made a clear decision that it is going to use food as a weapon, politically, economically or whatever the case may be," Mr. Nicholson told *World Grain*, a sister publication of *Milling & Baking News*.

The European Union, in a letter obtained by *Reuters*, recently warned developing countries and G20 members (composed of the world's largest economies) that Russia is offering cheap grain "to create new dependencies."

"As the world deals with disrupted supplies and higher prices, Russia is now approaching vulnerable countries with bilateral offers of grain shipments at discounted prices, pretending to solve the problem it created itself," the letter said. "This is a cynical policy of deliberately using food as a weapon to create new dependencies by exacerbating economic vulnerabilities and global food insecurity."

The recent assault on Ukrainian grain terminals along the Danube River, the longest river in the European Union by length and volume, is particularly worrisome, Mr. Nicholson said, since the bombings occurred very close to Romanian soil. The risk of the war widening into a much broader conflict has increased since Russia's decision to pull out of the grain deal.

"That's getting very close to NATO territory," he said.

Exports from the inland ports along the Danube River have grown in importance after the end of the grain initiative, which had allowed Ukraine to ship 33 million tonnes of agricultural products via the Black Sea for nearly a 12-month period during the war, now in its 18th month. In the past year, Ukraine, which in recent years has been a top global exporter of wheat and corn, has increased annual grain shipments on the Danube from a few hundred thousand tonnes to 2 million, according to the Ukrainian Grain Association, which noted that there is potential to double that figure.

There are four ports along the Danube River in Ukraine: the Port of Izmail, which was attacked last week, leaving storage units and at least 40,000 tonnes of grain damaged; the Port of Reni; the Port of Ust-Dunaisk; and the Port of Kilya. The river connects Ukraine to the Black Sea and eight other European nations.

"These are substantial facilities, not a couple of grain bins and a leg," Mr. Nicholson said. "These are the kind you see in western Europe — big complexes with significant tonnage."

He noted that in 2021-22, more than 90% of Ukraine's wheat, barley and corn exports were shipped through the Black Sea. With Russia blockading the Black Sea ports during the first five months of its invasion, Ukraine redirected its shipments in 2022-23, with only 65% of wheat and corn and 50% of barley exported through the Black Sea.

"They certainly diversified their shipping abilities pretty quickly," Mr. Nicholson said.

With grain exports from the Black Sea essentially halted and terminals on the Danube now under siege, potentially limiting shipments, the next best alternative is rail. But export volumes by that mode of transportation are limited by higher shipping costs and not having uniform rail gauges throughout Europe.

Russian President Vladimir Putin recently assured African leaders that he would supply them with the grain they needed in the coming months, but industry analysts are skeptical about Russia's ability to make good on that promise. Although Russia, in theory, has control of the Black Sea shipping lanes and can ship grain by rail east to China and Southeast Asia, several issues will weigh on its ability to maximize exports, Mr. Nicholson said.

Port of Izmail, along the Danube in Ukraine

"Freight and insurance costs are going to be higher because they are shipping in a war zone," he said. "Also, the Russian ports on the Sea Azor don't have the capacity that Ukraine ports have on the Black Sea."

He added: "Ukraine has 48 million tonnes of shipping capacity (at its seaports); Russia has 42 million. But it's spread out of 12 different ports, almost all of them smaller compared to Ukraine, which has six ports, most of them large."

So with Ukraine's grain production and export capacity dwindling, how will the world be impacted if this conflict continues to drag on for weeks, months or even years? The International Grains Council, in its most recent report, noted that global wheat carryover stocks are projected to fall by 7% in 2023-24, to a five-year low of 263 million tonnes, as Ukraine, Australia, China, Russia and possibly India are anticipating smaller crops.

"If you look at the world's major wheat exporters, and you take out Ukraine and Russian stocks and look at their exports, there's not enough wheat stocks in the world to fill that void," Mr. Nicholson said. "It's just the opposite with corn. As of now, there is enough corn stocks among the world's major exporters to make up for the loss of Ukraine corn. Is that sustainable long term? In both cases, likely not. But there is a lot more concern over the supply of wheat than there is corn." MBN

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Utah Flour Milling to build mill adjacent to Campbell Snacks plant

DENVER — Utah Flour Milling, LLC, which was formed earlier this year through a combination of Denver-based PHM Brands LLC and Japan-based NIPPN Corp., has unveiled the site of its new flour mill and custom mix facility: Richmond, Utah.

NIPPN Corp., which operates one of Japan's largest flour milling businesses, announced on May 15 that it would be entering the US milling market for the first time with a $25 million investment in Utah Flour Milling, LLC. At that time, no announcement was made on where the mill would be located.

On July 25 the companies said the $100 million mill and mix facility will be located adjacent to a Campbell Snacks baking plant in Richmond that primarily will be responsible for production of Goldfish and Pepperidge Farm products. Campbell Snacks is a division of Camden, NJ-based Campbell Soup Co.

"We are thrilled to have secured a long-term supply agreement with the Campbell Snacks bakery in Richmond and look forward to supporting their Goldfish expansion project," said Gina Steffens, chief executive officer of PHM Brands. "The onsite flour mill will ensure continuous flour availability for Goldfish and Pepperidge Farm cookie production while improving manufacturing performance and efficiency. Ultimately, the project in Utah is the result of critical partnerships with Campbell, NIPPN Corp. and Bratney Companies, which are all very important to us."

Peter Bisaccia, president of PHM Brands, added, "This is an exceptional opportunity for Panhandle Milling (a subsidiary of PHM Brands) to expand our current operational reach in the flour milling industry and establish valuable supplier relationships with local farmers both within Utah and in neighboring states. With Bratney leading the equipment supply, engineering and construction of this strategic project, the facility will be the most modern, efficient and technologically advanced flour milling facility in the region."

PHM Brands said the Richmond facility will include more than one million bushels of grain storage, at a site that provides convenient access to main-artery truck and railway routes.

"With state-of-the-art milling, mix, pelleting and packaging capabilities, the facility will support retail, foodservice, and bulk rail and truck markets, in addition to private label production and co-manufacturing," Mr. Bisaccia said. "Additionally, the new flour mill will process spring, hard and soft wheats, and will be organic, non-GMO, kosher, halal and GFSI-BRC certified."

Utah Flour Milling will begin construction of the mill this summer, and it is expected to be completed in the fall of 2024, according to PHM Brands, which also noted the plant's daily flour production capacity will be between 7,500 cwts and 15,000 cwts. The mill will feature leading-edge technology, including patented pathogen-reduction biotechnology from Energis Solutions, a subsidiary of PHM Brands.

"I am excited that NIPPN Corp. has tied an operational and management partnership with PHM Brands, LLC," said Toshiya Maezuru, president and CEO of NIPPN. "Through this partnership, NIPPN Corp. will be entering the US flour market for the first time in our long history and will focus on long-term contributions, continuing to strengthen our partnership with PHM Brands and Panhandle Milling and growing this business through our synergies."

NIPPN's investment in Utah Flour Milling will accelerate the speed of business growth in the United States by leveraging synergies among the group's existing companies — NIPPN California Inc., a California-based premix sales company, and Pasta Montana, LLC, a Montana-based pasta production and sales company, NIPPN said.

NIPPN is one of the "big four" flour millers in Japan, along with Nisshin, Showa Sangyo and Nitto Fuji, which combine for over 75% of the country's flour milling market share. In recent years, NIPPN consistently has garnered between 23% and 24% of the flour milling market share in Japan.Formerly known as Nippon Flour Mills Co. Ltd., the company changed its name to NIPPN in 2021.

PHM Brands currently has overall daily milling capacity of 7,500 cwts split between mills in Farmington, NM (2,500 cwts), and Dawn, Texas (5,000 cwts), according to Sosland Publishing Co.'s *2023 Grain & Milling Annual*. The company's milling capacity will double once the Utah mill comes online. MBN

FGF Brands breaks ground on Wonderbrands campus

PICKERING, ONT. — Baking manufacturer FGF Brands, which earlier this year purchased 151 acres of land in Pickering, Ont., to build a high-tech food manufacturing campus called Wonderbrands Innovation Business Park, celebrated a groundbreaking on the site July 17.

According to the city of Pickering, the first phase of development will include the construction of three manufacturing plants and a distribution center, covering a total of one million square feet.

FGF Brands will be the largest baking manufacturer in the greater Toronto area after the park is built. The first phase of development is expected to create 1,000 jobs. The eventual second phase is expected to create 2,000 more. Some of the brands FGF bakes and sells include Wonder Bread, D'italiano, Country Harvest, Stonefire, ACE and Casa Mendosa. The company manufactures fresh bread, rolls, croissants, muffins and sweet goods. MBN

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PepsiCo and Walmart partner in support of regenerative agriculture

PURCHASE, NY. — PepsiCo, Inc. and Walmart are working together as part of a seven-year collaboration to seek $120 million worth of investments in US and Canadian farmers looking to improve soil health and water quality. The partnership establishes and measures financial, agronomic and social programs to enable and advance the adaptation of regenerative agriculture practices on more than 2 million acres of farmland as well as deliver approximately 4 million tonnes of greenhouse gas (GHG) emission reductions and removals by 2030, which is roughly the equivalent amount of electricity needed to power 778,300 homes for one year.

The partnership is part of both companies' shared focus to support farming communities, improve soil and water health, and lower carbon emissions. PepsiCo said a resilient food system is essential to the company's business as well as its ability to meet ambitious pep+ (PepsiCo Positive) goals. These goals consist of adopting regenerative agriculture practices across 7 million acres by 2030, which is approximately the size of PepsiCo's agricultural footprint, and reducing more than 40% of its absolute GHG emissions across its entire value chain by 2030 (against a 2015 baseline) while aiming for net-zero emissions by 2040.

Both PepsiCo and Walmart said they depend on farmers to grow ingredients for food products. A supply chain belonging to two companies that stretches across the United States and involves many critical crops — potatoes, oats, corn, wheat, soybeans, rice and more — makes sustainability look different from commodity to commodity, region to region and farm to farm, both companies noted. PepsiCo and Walmart also said a collaboration provides a voluntary, flexible approach to regenerative agriculture that gives farmers "a seat at the table, recognizes the diversity of agriculture and that one size does not fit all."

"This effort is a new model for PepsiCo, marking our first, large-scale strategic collaboration focused on sustainable agriculture with a retail partner," said Steven Williams, chief executive officer of PepsiCo Foods North America. "Farmers are critical to our business, and many of the brands our consumers know and love rely on ingredients that we source straight from the farm. By joining forces with Walmart, we'll be empowering farmers through education, upfront investment in outcomes, peer coaching, and cost-sharing — and hopefully inspiring others to join us."

According to Walmart, the partnership is an example of how the company prioritizes "purposeful" collaborations to accelerate the adaptation of regenerative practices as part of both its goal and the Walmart Foundation's goal to protect, restore and more sustainably manage 50 million acres of land and 1 million square miles of ocean by 2030. MBN

NCI event describes ways to keep ancient grains on a growth path

ELK RIVER, MINN. — Ancient grains have gone mainstream, bringing along a greater need for efficient distribution, prevention of commingling and consumer promotions. Speakers at an ancient grains conference put on by the Northern Crops Institute July 25 at the Oliver Kelley Farm in Elk River talked about how the ancient grains category has grown in recent years and how it may keep growing.

"Over the last three decades we've seen a real shift with ancient grains in the marketplace," said Laurie Scanlin, PhD, principal scientist for Ardent Mills, Denver.

When ancient grains were more niche, Dr. Scanlin said she sought millet, quinoa and amaranth at health food stores.

"Today, we have national brands, large manufacturers that are using ancient grains to different levels of inclusion, promoting ancient grains or a particular ancient grain on the front of pack," she said. "So it's a real shift in the supply chain management, the food safety (programs), the quality assurance, the manufacturing considerations when you're working with ancient grains for the large manufacturers."

Large companies entering the ancient grains category already have an efficient distribution system, said Neil Doty, PhD, business development manager for the Northern Crops Institute, Fargo, ND.

"They've got a brand, and they've got a distribution chain," he said. "They will look for smaller companies that are innovative and have come up with a good idea."

The larger food companies then either will merge with the smaller company or acquire it, he said.

Many ancient grains are gluten-free. Food manufacturers should be alert to the potential for contamination from different allergens or gluten-containing grains, said Angie Echols, food security and regulatory compliance manager for Bay State Milling Co., Quincy, Mass.

"A tiny bit of gluten-containing grains commingled in the field due to crop rotations can make that gluten-free claim null," she said. "In a large scale (operation), you've got to have a very good cleaning system."

Chefs in foodservice are interested in experimenting with ancient grains, said Kelly LeBlanc, director of nutrition for Oldways, Boston. A problem arises in distribution. The chefs may not need a dozen cases of one specific ancient grain.

"(The chefs) just couldn't meet the case minimum from their distributor," she said, adding distributors could offer variety packs with grains like amaranth, sorghum and teff. MBN

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Mondelez making cakes and pastries a bigger priority

CHICAGO — With about 3% to 4% of the global snack cake and pastries market, Mondelez International, Inc. already stands as the No. 2 player in the category. But management expects more, and plans are in place to lift the Chicago-based company's market share closer to double digits.

"Cakes and pastries is not a small category," Dirk Van de Put, chairman and chief executive officer, said during a July 27 conference call to discuss second-quarter financial results. "It's not the size of biscuits, but it's not too far away from it. And, so, it's a big opportunity around the world."

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Describing the category as "fragmented" but with "relatively commoditized products," cakes and pastries is ripe for strong brands and high-quality products, Mr. Van de Put said. To that end, Mondelez has made a push around the world to expand its offerings. Recent launches include Oreo Airy Cake in China, Cakesters in the United States and prepackaged croissants under the Chipita brand in Europe.

"The (cakes and pastries) category itself has been growing quite nicely over the past three years," Mr. Van de Put said. "It is a category that exists across all markets. It covers different occasions than our typical biscuits and chocolate, so that makes it very interesting for them. And, so, we think with these new quality products and our brands, we can really make a significant impact. And I'm not going to give an exact number, but we would expect that our cakes and pastry business in the coming year should double or triple and lift us up to close to a 10% market share. For us, it's going to be a significant contribution to the growth of the company."

Mr. Van de Put's comments on the cakes and pastry category came against a backdrop of strong financial results for Mondelez. Net income at the company in the second quarter ended June 30 totaled $944 million, equal to 69¢ per share on the common stock, up 26% from $747 million, or 54¢ per share, in the same period a year ago.

Quarterly sales rose 17% to $8.51 billion from $7.27 billion the year before.

"We obviously feel quite good about how our portfolio is performing," Mr. Van de Put said. "We have brought growth in the different regions, in the different categories across most of our brands. The pricing went through quite well, strong pricing, I would say, compared to others. We have very good volume/mix growth in three out of four regions. And the only region that was disrupted was Europe, but that was due to customer disruption. And we foresee, for the second half, that we will see solid volume growth in Europe."

He said North America finally has recovered,and the company is gaining share in the AMEA. Emerging markets also are doing well broadly in the top and bottom line, he said.

"We are generating good gross profit, so we can continue to invest strongly in our brands and our capabilities," he said. "The acquisitions are doing well. I would point to Clif. And yes, we have double-digit growth in adjusted and real EPS. So, the whole picture, for us, looks pretty good."

Sales in North America rose 12.4% during the quarter, driven by higher pricing, volume/mix and strength from the base biscuits business and other ventures, including Give & Go, Perfect Snacks and Tate's Bake Shop.

"Tate's also posted robust growth and delivered another operating margin increase of double-digit in percentage points in Q2 versus last year," said Luca Zaramella, chief financial officer. "Now profitability is approaching the level of total North America, but we still have to generate material synergies, both on revenue and cost line. … Clif is a business that is growing, has now some margins and still with meaningful synergy potential."

Mr. Van de Put provided more color on the Clif business later in the conference call.

"We've seen in the first half very strong double-digit revenue growth, and the margins, the (operating income) margin versus previous year is up more than 1,000 basis points," he said. "… We've increased prices more aggressively than Clif would have done historically. We increased prices in August, in January and another one later in Q1. And, so, we see low elasticity, I would say. So that's having a big impact.

"The second big thing that we are doing is the service has improved. We reduced SKUs (stock-keeping units). And we started to operate the plants a little bit better, and so that has given to a good increase in the service level. Then we changed the promotional plan. That has successfully kicked off. Fourth thing is that our media buying is more efficient than theirs."

Mondelez' net income for the first six months of fiscal 2023 was $3.03 billion, or $2.22 per share, up 89% from $1.6 billion, or $1.16 per share, in the same period a year ago.

Sales rose to $17.67 billion from $15.04 billion the year before.

The company's strong results prompted management to raise its organic net revenue growth projection for 2023 to 12%, up from its previous forecast of 10%. The company also now expects adjusted EPS growth of 12%, up from 10%. MBN

CONTINUED FROM PAGE 1

Setback for US flour production recorded in second quarter

the period ended September 2022.

Working days in the second quarter totaled 77, compared with 76 days in the first quarter and 77 a year ago.

Wheat grind in the second quarter was 221,951,000 bus, down 4.2% from a record 231,680,000 bus a year ago and down 1.5% from 225,359,000 bus in the first quarter.

Millfeed output in April-June totaled 1,609,531 tons, down 4.4% from 1,684,355 tons a year ago and down 0.6% from 1,618,954 tons in the first quarter.

The flour extraction rate in April-June was 77.3%, down from 77.5% in the first quarter and unchanged from 77.3% a year ago. It was 77.9% in January-March 2017 when extraction was the highest since the start of NASS statistics.

NASS data now have been issued for 36 consecutive quarters, or since July-September 2014. While data back to July-September 2014 were compiled by NASS, statistics spanning the period between July-September 2011 and the second quarter of 2014 originated from the North American Millers' Association (NAMA) panel of the largest US mills and subsequently underwent interpolation by *Milling & Baking News* to make the data comparable with earlier statistics compiled by the US Census Bureau.

Semolina production in the second quarter was 6,938,000 cwts, down 549,000 cwts, or 7%, from 7,487,000 cwts in the second quarter last year. Production was down a whopping 1,405,000 cwts, or 16.8%, from 8,343,000 cwts in the first quarter of 2023. Semolina production was the smallest for any quarter in nine years, or since April-June 2014, when production was 6,611,000 cwts.

The record quarter for semolina was 9,155,000 cwts in April-June 2020.

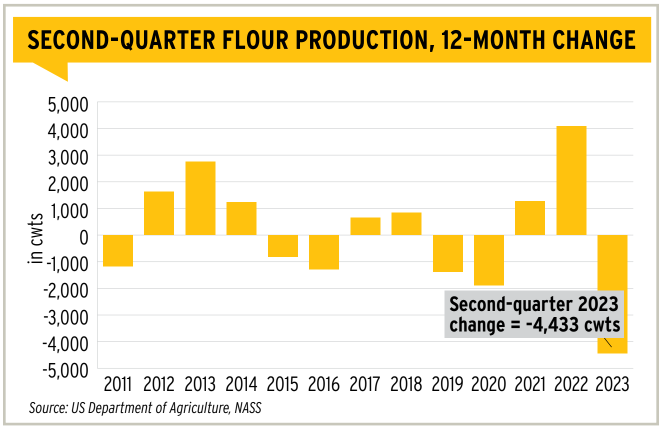
Semolina output in the first half of 2023 totaled 15,281,000 cwts, up 178,000, or 1.2%, from 15,103,000 a year back. The record was 17,295,000 down in January-June 2020.

Semolina capacity stood at 134,730 cwts, unchanged from a year back. Semolina capacity utilization was 66.9%, against an 81.5% operating rate in the first quarter and 72.2% a year ago.

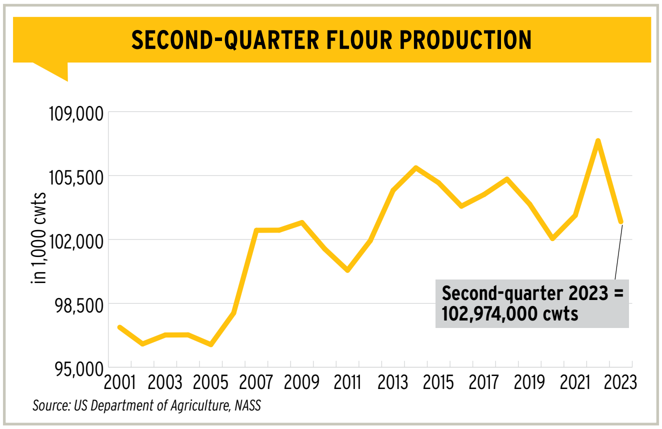
Durum grind in the second quarter aggregated 14,512,000 bus, down 5.7% from 15,382,000 a year ago. It was down 15.8% from 17,228,000 bus in January-March. Durum grind in January-June aggregated 31,740,000 bus, up 1.1% from 31,396,000 bus a year back.

Production of flour excluding semolina in the second quarter was 96,036,000 cwts, down 3,884,000 cwts, or 3.9%, from the record 99,920,000 cwts in April-June 2022. From the first quarter of this year, flour ex-semolina production was down 428,000, or 0.4%, from 96,464,000.

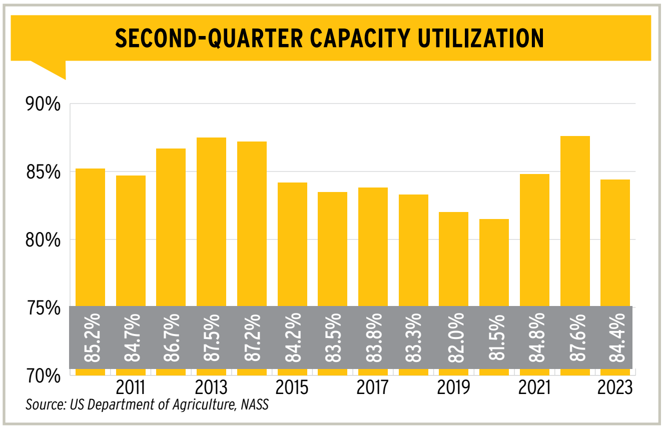
Rye flour production in the second quarter totaled 137,000 cwts, down


SECOND-QUARTER FLOUR PRODUCTION, 12-MONTH CHANGE

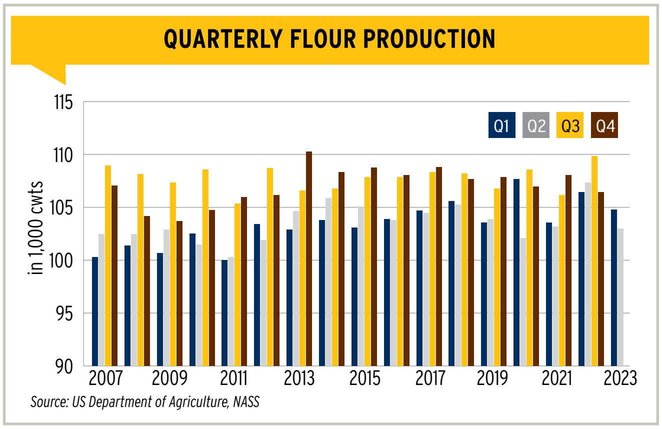
Source: US Department of Agriculture, NASS


SECOND-QUARTER FLOUR PRODUCTION

Source: US Department of Agriculture, NASS


SECOND-QUARTER CAPACITY UTILIZATION

Source: US Department of Agriculture, NASS


QUARTERLY FLOUR PRODUCTION

Source: US Department of Agriculture, NASS

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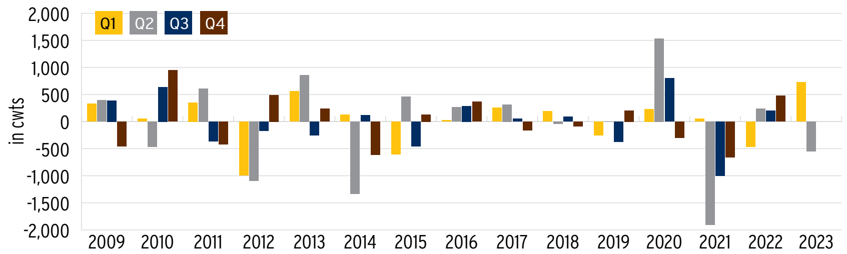
COMPILATION ON QUARTERLY PRODUCTION OF FLOUR, GRIND OF WHEAT, MILLFEED OUTPUT ON SIX-DAY WEEKLY BASIS

	Flour production, cwts	Wheat ground, bus	Millfeed, tons	Daily capacity, cwts	Average flour per work day, cwts	Percent operated	Extraction rate
	-(1,000)-						
Apr-Jun-23	102,974	221,951	1,609,531	1,584,986	1,337	84.4%	77.3%
Jan-Mar-23	104,807	225,359	1,618,954	1,590,986	1,379	86.7%	77.5%
Oct-Dec-22	106,547	229,463	1,663,208	1,584,686	1,384	87.3%	77.4%
Jul-Sep-22	109,859	237,204	1,718,246	1,595,830	1,427	89.4%	77.2%
Apr-Jun-22	107,407	231,680	1,684,355	1,592,330	1,395	87.6%	77.3%
Jan-Mar-22	106,471	230,268	1,666,162	1,600,330	1,401	87.5%	77.1%
Oct-Dec-21	108,060	234,761	1,697,294	1,582,830	1,403	88.7%	76.7%
Jul-Sep-21	106,161	230,807	1,683,427	1,582,662	1,379	87.1%	76.7%
Apr-Jun-21	103,320	223,289	1,627,510	1,582,662	1,342	84.8%	77.1%
Jan-Mar-21	103,635	224,523	1,630,892	1,582,662	1,364	86.2%	76.9%
Oct-Dec-20	106,987	231,476	1,655,982	1,585,310	1,389	87.6%	77.0%
Jul-Sep-20	108,583	234,190	1,678,897	1,607,410	1,410	87.7%	77.3%
Apr-Jun-20	102,050	219,302	1,557,553	1,627,160	1,325	81.5%	77.6%
Jan-Mar-20	108,177	233,010	1,654,872	1,627,260	1,405	86.3%	77.4%

Source: US Department of Agriculture, NASS

QUARTERLY SEMOLINA PRODUCTION, 12-MONTH CHANGE



Source: US Department of Agriculture, NASS

FLOUR PRODUCTION BY STATE, STATE GROUPS

	Apr.-June 2023 (1,000 cwts)	Per cent change from year ago	2023 operating rate	2022 operating rate
California	7,628	2.3%	91.2%	89.2%
Colorado and Oklahoma	3,713	1.4%	86.4%	85.3%
Florida, Georgia, and South Carolina	4,478	1.2%	93.8%	92.7%
Idaho, Montana, Oregon, Utah, and Washington	7,666	0.5%	83.4%	79.0%
Illinois, Indiana, and Wisconsin	11,552	-2.1%	91.9%	93.9%
Iowa and Nebraska	2,575	-40.5%	65.7%	100.6%
Kansas	7,538	0.9%	87.6%	86.8%
Kentucky and Tennessee	3,882	-6.0%	85.5%	94.1%
Maryland and Virginia	2,932	-11.0%	78.5%	87.9%
Michigan	2,394	-10.7%	78.3%	87.7%
Minnesota	5,039	-2.5%	81.7%	83.8%
Missouri	5,161	-7.2%	72.2%	77.8%
New Jersey and New York	6,326	-2.0%	81.0%	82.6%
North Carolina	3,632	-1.4%	70.9%	77.8%
North Dakota	6,801	-4.2%	85.3%	92.1%
Ohio	5,355	-9.8%	87.0%	96.5%
Pennsylvania	5,152	3.9%	86.6%	82.5%
Texas	6,070	-3.7%	91.7%	89.0%
Other states[1]	5,080	-5.1%	84.1%	88.7%
Total	**102,974**	**-4.1%**	**84.4%**	**87.6%**

[1] Alabama, Arkansas, Arizona, Hawaii, Massachusetts, Maine, and Louisiana combined to avoid disclosing individual operations.

Source: US Department of Agriculture, NASS

sharply from 189,000 in the first quarter and down from 174,000 cwts a year ago.

Leading the output in regions and individual states in April-June 2023 again was Illinois, Indiana and Wisconsin at 11,552,000 cwts, down 2.1% from 11,805,000 in the same quarter a year ago. It was down 3.2% from 11,935,000 in the first quarter. Mills in this region operated at 91.9% of six-day capacity, against 96.2% in the first quarter and 93.9% a year ago. The state grouping accounted for 11.2% of total production in April-June, against 11.4% in the first quarter and 11% a year ago.

Ranking second was Idaho, Montana, Oregon, Utah and Washington producing 7,666,000 cwts, gaining 0.5% from 7,631,000 a year ago. It was up 4.8% from 7,318,000 cwts in the first quarter. Mill grind averaged 83.4% in the second quarter against 80.7% in the first quarter and 79% a year back. This state grouping represented 7.4% of the national outturn in April-June, against 7% in the first quarter and 7.1% a year ago.

In third place narrowly was California turning out 7,628,000 cwts, up 2.3% from 7,457,000 a year ago. It was up 3.9% from 7,344,000 cwts in the first quarter. Grind rate in California in the current quarter was 91.2%, against 89% in the first quarter and 89.2% a year ago. The state represented 7.4% of the national output in the second quarter, compared with 7% in the first quarter and 6.9% a year ago.

Kansas ranked fourth at 7,538,000 cwts and North Dakota fifth at 6,801,000 cwts. They were followed by New Jersey and New York, 6,326,000 cwts; Texas, 6,070,000; Ohio, 5,355,000; Missouri, 5,161,000; Pennsylvania, 5,152,000; Minnesota, 5,039,000; Florida, Georgia, and South Carolina, 4,478,000; Kentucky and Tennessee, 3,882,000; North Carolina, 3,632,000; Iowa and Nebraska, 2,575,000; and Michigan, 2,394,000. Other states were at 5,080,000 cwts.

Capacity in most states and state groupings remained unchanged. Changes were highlighted by North Carolina gaining 5,000 cwts from a year ago; North Dakota, 3,500; and Kentucky and Tennessee, 2,000. Idaho, Montana, Oregon, Utah and Washington as well as Texas both lost 6,000 cwts from a year back; Iowa and Nebraska, 5,000; Pennsylvania, 700; and Maryland and Virginia, 144. The only change from the first was the Texas decrease of 6,000 cwts. MBN

New negative milestones reached in US whole wheat flour production

WASHINGTON — Whole wheat flour production in the second quarter was 4,289,000 cwts, down 247,000 cwts, or 5%, from 4,536,000 cwts in April-June 2022, according to data issued Aug. 1 by the National Agricultural Statistics Service of the US Department of Agriculture. From the first quarter of this year, whole wheat flour production was down 214,000 cwts, or 4.8%.

Production of 4,289,000 cwts represented a new low for whole wheat production in the nine years NASS has been gathering whole wheat flour production data. The figure falls below the previous low of 4,471,000 cwts in the second quarter of 2020, a quarter when flour production, including whole wheat, was constrained by the rapidly unfolding COVID-19 pandemic. Other than April-June 2020, the previous low during the NASS era was the first quarter of 2023, at 4,503,000 cwts. April-June 2022 was next lowest, at 4,536,000 cwts.

Production in the second quarter of 2023 was down 32% from the peak NASS whole wheat production number of 6,326,000 cwts in July-September 2015.

As a percentage of total US flour production, second-quarter whole wheat outturn slumped to 4.2%, down from 4.5% a year earlier and 4.3% in the first quarter of 2023.

Whole wheat semolina production in April-June was 84,000 cwts, unchanged from the second quarter of 2022 and down 19% from 104,000 cwts in the first quarter.

Whole wheat semolina in the quarter accounted for 1.2% of all US semolina production, up from 1.1% a year ago. MBN

WHOLE WHEAT FLOUR PRODUCTION

in 1,000 cwts	Jan.-Mar. 2021	Apr.-June 2021	July-Sept. 2021	Oct.-Dec. 2021	Jan.-Mar. 2022	Apr.-June 2022	July-Sept. 2022	Oct.-Dec. 2022	Jan.-Mar. 2023	Apr.-June 2023
Whole wheat flour production	4,860	4,866	4,974	5,088	5,250	4,536	4,630	4,741	4,503	4,289
Change from year earlier	-17.5%	8.8%	1.3%	4.9%	8.0%	-6.8%	-6.9%	-6.8%	-14.2%	-5.4%
Trailing four quarter average	19,091	19,486	19,552	19,788	20,178	19,848	19,504	19,157	18,410	18,163
Whole wheat semolina production	143	147	238	179	95	84	123	120	104	84
Change from year earlier	28	-17	104	32	-48	-63	-115	-59	9	-
Percent change from year earlier	-16.4%	-10.4%	77.6%	21.8%	-33.6%	-42.9%	-48.3%	-33.0%	9.5%	0%
Whole wheat flour ex-semolina	4,717	4,719	4,736	4,909	5,155	4,452	4,507	4,621	4,399	4,205
Change from year earlier	-1,002	412	-38	204	438	-267	-229	-288	-456	-247
Percent change from year earlier	-17.5%	9.6%	-0.8%	4.3%	9.3%	-5.7%	-4.8%	-5.9%	-14.7%	-5.5%

Source: US Department of Agriculture, NASS

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Metropolitan Baking Co. plans facility expansion in Michigan

HAMTRAMCK, MICH. — Metropolitan Baking Co., a manufacturer of loaf bread, rolls, pitas, tortillas and buns, is building a 35,000-square-foot addition to its current facility, increasing the total footprint to 140,000 square feet and upping production by nearly 35%.

The expansion plans for the third-generation, family-owned and -operated company were shared by George Kordas, president of Metropolitan Baking, via LinkedIn. The company will use the space to house a new bun and roll line and expand shipping and warehouse capabilities. It is scheduled to be completed by summer of 2024 and will create approximately 20 to 25 jobs, according to the company.

METROPOLITAN BAKING CO.

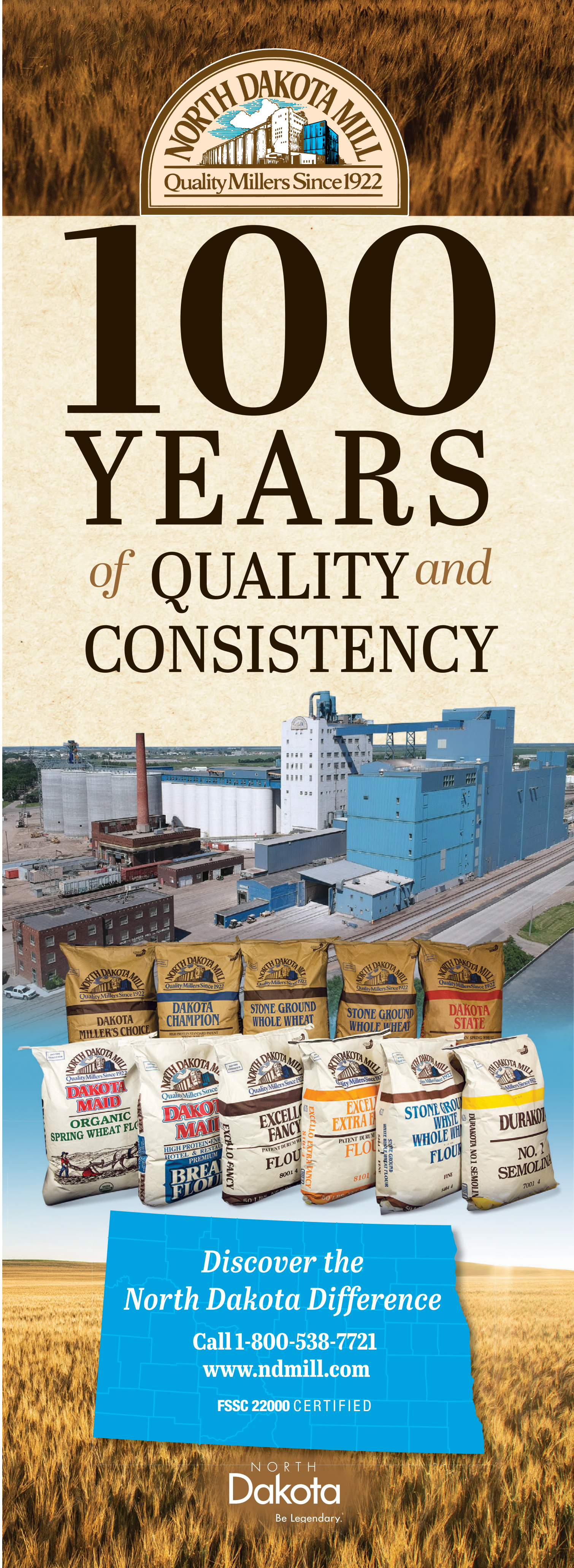
"I've said it before and I'll say it again, I couldn't be more proud of the team at Metro who absolutely crush it every day, and I truly look forward to this exciting new chapter in our company's 75 year history," Mr. Kordas said.

Metropolitan Baking Co. products are available at Sam's Club, 7-Eleven and regional grocery stores. The company produces 90% branded products and about 10% private label and retail baked foods. Earlier this year, the company launched a premium loaf called Gr8ful Bread that features 8 grains and seeds. MBN

General Mills unveils Honey Cheerios for foodservice

MINNEAPOLIS — General Mills Foodservice has introduced Honey Cheerios bulk cereal. The gluten-free and nut-free whole grain oat cereal made with honey was previously only available for K-12 schools. The cereal contains 9 grams of sugar per serving and has no artificial flavors or colors, no caramel colors and no high-fructose corn syrup.

The company said the cereal was created in response to foodservice operations' requests for multi-use products with mass appeal to fill up any menu. It is available in bulk format, meaning it is available on its own and also may be used as an ingredient in many recipes such as cereal bars, snack mixes or parfaits. MBN



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Find ways to rein in unstable supply chains

Companies may seek domestic sources and make use of AI

Instability in supply chains did not disappear once the impact of COVID-19 abated. Disruptive weather across the globe and the Russia-Ukraine war made certain of that.

"I don't like to call it the new normal, but it's sort of like the next normal," said Maggie Slowik, global industry director for manufacturing for IFS, which develops cloud-based software for companies that manufacture and distribute goods. "Companies are dealing with inflation, climate change events. I could list the whole lot."

> "Wheat, relative to a lot of other ingredients in baking, from a supply asssurance standpoint is one of your more reliable ingredients."
>
> *— Peter F. Levangie, Bay State Milling Co.*

The situation has the food industry seeking innovative ways to make supply chains more stable. Companies are sourcing closer to home and avoiding reliance on a single supplier. Agricultural discoveries could lead to plant varieties that are more drought-resistant, and high-fiber wheat flour already is commercially available domestically. New technology such as artificial intelligence (AI) could benefit supply chains as well.

Ingredient supplier relationships have become even more vital.

"While we can't speak on behalf of the industry, the last few years have certainly highlighted the importance of strong, collaborative partnerships across the supply chain," said Jeff Zyskowski, vice president and supply chain lead for Ardent Mills, Denver. "We at Ardent Mills have been working very closely with both our customers, transportation providers and suppliers to better forecast and anticipate any potential disruptions so that we are prepared to leverage our broad network and distribution channels for supply assurance."

WAYS TO USE WHEAT

Russia suspending its participation in the Black Sea Grain Initiative corridor on July 17 impacted wheat markets globally.

"It just messes with the supply chain, with the trade channel," said Stephen Nicholson, global sector strategist, grain and oilseed for RaboResearch. "It messes with the whole ecosystem that built up after the war started."

While Ukraine will be unable to export wheat from Black Sea ports, Russian wheat will become more expensive, partially due to freight cost risk premiums for ships going into the Black Sea region, he said. Countries in Africa and Southeast Asia then may not be able to afford the wheat.

The Black Sea situation will affect the United States, too, although not as harshly.

"It compounds a lot of production challenges because of weather," Mr. Nicholson said. "It is supporting wheat prices here."

Mr. Zyskowski said, "Commodity price volatility in wheat continues to be at the forefront given continual changes in supply and demand, driven by global trade flows, competition for planted acres and weather. We are laser focused on ensuring continuity through our supply chain to consistently meet our customers' needs.

"While we have not experienced and do not anticipate any disruptions in our supply chain due to the war in Ukraine, we continue to monitor the situation and adjust as needed to continue to meet customer demand."

The United States remains a net exporter of wheat, said Peter F. Levangie, president and chief executive officer of Bay State Milling Co., Quincy, Mass. Companies in the United States could use that advantage to decrease reliance on overseas supply of other ingredients, like fiber, he said.

"A lot of fiber that our bakers and customers in all sorts of categories rely on is sourced oversea, outside of the United States," he said. "Wheat, relative to a lot of other ingredients in baking, from a supply assurance standpoint is one of your more reliable ingredients."

Bay State Milling offers HealthSense wheat flour with up to 10 times the fiber of traditional refined wheat flour.

Flour with a higher stability and a better baking performance could decrease overseas sourcing, too.

"It ultimately makes things like vital wheat gluten and other actives less necessary for baking," Mr. Levangie said. "You build for baking performance. You value-add into the wheat itself."

Drought led to a smaller oats crop in Canada this year. Bay State Milling has begun to offer a domestic source. The company collaborated with Montana State University to create a high-protein oat variety now sold under the SowNaked brand. The oats have 40% more protein than traditional oats.

"It's commercially available but in its infancy," Mr. Levangie said. "Ultimately in time it will deliver supply assurance here in the United States."

Other discoveries, like more drought-resistant wheat varieties, could benefit supply chains.

"The more we can bring innovation into

UNIQUE SUPPLY CHAIN PROBLEMS CROP UP FOR REGIONAL GRAIN CHAIN

The Artisan Grain Collaborative, a regional grain chain in the upper Midwest, has intentions to scale, getting more regional grains into food for hospitals, colleges and school meals. To do so, supply chain improvements are needed. Alyssa Hartman, executive director, listed improved distribution and logistics, access to appropriate scale and processing infrastructure, and risk-sharing across the supply chain when she spoke in a July 12 webinar put on by the Northern Crops Institute, Fargo, ND.

The Artisan Grain Collaborative began in 2016 when bakers in the Chicago region wanted to buy locally grown flour. When Ms. Hartman joined the cooperative in 2019, it had 35 members. Now, over 270 members are found across 8 Midwestern states. Members are farmers, millers, maltsters, bakers, chefs, food manufacturers, brewers, distillers, researchers and advocates promoting a regenerative food system.

Growers of oats or barley may have difficulty finding elevators that will take their grain.

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Distribution and logistics issues occur when a local grower may need to move only 2,000 lbs of grain.

"It's just not a great fit for the way a lot of the crops get moved around the region," Ms. Hartman said. "It's a tricky space between local food systems and commodities."

Some farmers load up their trucks and take their product to customers. The Artisan Grain Collaborative wants to create a shared distribution network.

Growers must find processing infrastructure for grains that also may require steps such as identity preservation, organic certification and gluten-free certification. Sometimes it might not make financial sense to travel a significant distance to access the processing equipment, Ms. Hartman said.

"One particular farmer in our network has been continually beating the drum of how frustrating it is to be growing excellent, high-quality food-grade oats that meet test-weight needs and other requirements, and they repeatedly sell that crop to a nearby horse farm because it just doesn't make financial sense for them to incur the costs of shipping that crop to the grain processor," she said.

Cleaning, processing and storage are all infrastructure bottlenecks to getting more regionally grown grains to market. Not enough elevators handle small grains in areas in the Midwest where the Artisan Grain Collaborative works, Ms. Hartman said.

"Certainly, there are places that will take wheat, but for farmers growing barley or oats or other crops, it can be really challenging to find places in the community to take them," she said.

Growers often take on a majority of the risk as they purchase feed and handle storage and cleaning. The Artisan Grain Collaborative seeks to identify ways for food and beverage businesses and processors to share in the financial risk. The end user could go in with the grower on the seed purchase, or a contract commitment could be based on acreage. MBN our own domestic agricultural system, which is robust, big and generally a net exporter, the more we are going to limit some of the exposure to the geopolitical whims of Putin and Russia," Mr. Levangie said.

SUNFLOWER SUBSTITUTES

After the Russia-Ukraine war began in February 2022, sunflower oil became more expensive and eventually cost over $1 per lb. Before the invasion, Ukraine normally was the world's top producer of sunflower meal, oil and seed and the world's top exporter of sunflower meal, according to the US Department of Agriculture.

Ingredient suppliers had to react quickly.

"Adaptability is key," said John Satumba, PhD, global bakery technical lead and regional R&D director for North America, global edible oil solutions for Cargill, Minneapolis. "Supply chains have weathered multiple disruptions in recent times, highlighting the importance of ingredient suppliers with global resources. Within the oil space, for example, when sunflower oil supplies tightened, we helped customers pivot to other options that provided similar functionality."

The disruptions in the sunflower supply chain sparked changes at many levels, including regulatory policies, raw material sourcing, formulation and R&D investment, he said.

"Early on, we joined others in the industry as a strong advocate for flexible labeling, which enabled brands to make minor formulations changes without updating the ingredient list on product packaging," Dr. Satumba said. "Alongside our work with global regulatory bodies, our ingredient and application experts scrambled to help brands find suitable alternatives, while our global supply chain specialists worked overtime to keep customers' plants running and store shelves stocked."

Ms. Slowik added, "That is the name of the game now. If you want to bring that product out on the shelf, you have to find suitable replacements."

The sunflower supply situation also accelerated next-generation crop development programs, Dr. Satumba said.

"Faced with a sudden global shortage, it became apparent that too much reliance on a single crop comes with inherent risk," he said. "In response, we've seen a significant uptick in interest and investment in alternative oilseeds. It's also spurred innovation around novel approaches to ingredient production such as fermentation, which are less reliant on traditional agricultural crops."

Companies "moved on" to other oils, like canola or soybean, Mr. Nicholson said. Russia dropping out of the Black Sea initiative this year may not have as big an effect on sunflower. The price of sunflower oil, Midwest, was 75¢ per lb on July 28, which was down half a cent from July 21 and the same price as a year ago.

Formulators have found that canola oil and soybean oil may work as sunflower oil alternatives.

TECHNOLOGY OPPORTUNITIES

Ms. Slowik said companies may use multiple sources domestically instead of offshore sources. The tactic might cost more, but it could bring sustainability benefits by reducing a company's carbon footprint.

"Is it feasible to diversify your supply chain?" she said. "Is there enough supply in a given region or market that you operate in?"

Moving to multiple sources could increase complexity, but "technology should really help to reduce complexity," Ms. Slowik said.

London-based IFS offers supply chain management software that allows companies to have a single view across their entire ecosystems, which drives efficiency and manages costs, according to IFS. The software addresses the entire purchasing value chain.

IFS also offers AI-assisted weather forecasts.

"(Companies) may want to improve their forecasting accuracy and not be sitting on a lot of unwanted stock and waste," Ms. Slowik said.

Whether referred to as the "new normal" or the "next normal," supply chain challenges will mean industry will need to react quickly.

"Perhaps the biggest learning from the last few years is the need to prepare for more market volatility, whether sparked by climate change, geopolitical disruptions or other factors," said Jason Purtle, commercial manager for softseed crush for Cargill. MBN

— Jeff Gelski

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GRUPO
BIMBO

Peso strength undercuts strong second-quarter results at Bimbo

BY JOSH SOSLAND

MEXICO CITY — Despite stronger-than-expected performances by many of its global businesses, gains in the value of the Mexican peso weighed on quarterly results at Grupo Bimbo SAB de CV.

Focusing on the company's core results, Daniel Servitje, chairman and chief executive officer, was upbeat.

"We reached record levels of net sales, which grew at a double-digit rate excluding foreign exchange effects, and the adjusted EBITDA margin expanded 50 basis points and also posted record levels for a second quarter," he said. "This is a result of the strength of our brands and the hard work of our associates who have done an outstanding job executing at the point of sale, with laser focus in the baking and snack industries. We are committed to achieving our year-end objectives and will continue to invest in our business to expand our brands globally."

> "We have experienced elasticity in particular categories, I would say mostly on the sliced bread category."
>
> *— Daniel Servitje, Grupo Bimbo SAB de CV*

Offering an update on the company's guidance during a July 25 investor call, Diego Gaxiola, chief financial officer, described how better-than-expected results this year as measured in local currencies faced an offsetting negative effect from strength in the peso. The value of the Mexican peso versus the US dollar has climbed 9.5% this year, 22% over the past 12 months and 38% from its March 2020 low. Mr. Gaxiola noted that 70% of Bimbo's business is outside of Mexico. The net effect is a cut in the company's sales guidance and EBITDA guidance.

"So as compared to our initial sales guidance, we have an impact of more than six percentage points," he said. "Whereas in local currency, we are performing above our initial expectation we are adjusting our sales guidance only from mid- to high single-digit to low to mid-single-digit rates."

The foreign exchange swings will chop away five percentage points of Bimbo EBITDA in 2023, the company said.

"But also because of our performance being better than expected, we are now adjusting the guidance to a range of mid- to high single-digit growth from the previous high single-digit expectation," Mr. Gaxiola said. "So as you can see, we are still expecting a margin expansion, and trends continue to be strong, and we remain confident we will reach our expectations and surpass it in local currencies."

Operating income of the North American business of Grupo Bimbo in the second quarter was 3.31 billion pesos ($196 million), down 31% from 4.80 billion pesos in April-June 2022. The division's operating margin was 6.8%, down 290 basis points from 9.7% a year earlier.

Adjusted EBITDA in North America was 5.35 billion pesos ($317 million), up 0.3% from 5.34 billion pesos a year earlier. Adjusted EBTIDA margin was up 20 basis points, at 11%. The improved margins were attributed by the company principally to the strong sales performance, a favorable price/mix and "strong execution and cost

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control initiatives, partly offset by cost inflation related to commodities and labor.”

Sales during the quarter were 48.56 billion pesos ($2.88 billion), down 1.8% from the second quarter last year. In dollar terms, sales jumped 11.8%, “mainly reflecting the carryover from the successful implementation of price increases and favorable mix,” the company said. Bimbo said the company gained share in the second quarter in the premium product and snacks categories.

During the conference call, the Bimbo executives were asked about how the US competitive landscape was changing, particularly in the sweet goods category and whether BBU was feeling pressure from retailers either to step up promotions or to ease up on price increases.

Mark Bendix, executive vice president of Grupo Bimbo, said softness in US volumes was reflective of overall category weakness and an “evolving economy” rather than of market share losses. Against the weakness in unit volume trends, BBU has benefited from higher prices, he added.

“Salty snacks and premium (baked foods) have delivered for us in the second quarter,” he said. “So you are seeing a favorable mix. And in terms of more competition, I think in sweet baked goods there’s always good competition in the US. In this quarter, I think it’s a little bit complicated in that across most categories, you’ve seen some decline because all of the categories, if you look at just edibles in total are down 4.4%. And we’re maintaining our shares in those categories, but there is a net volume decline because of the challenged consumer.”

the Original
Alfaro's
Artesano
bakery bread
the Original
Alfaro's
Artesano

Regarding retail prices, Mr. Bendix said Bimbo has maintained “disciplined pricing execution” in the face of ongoing inflation and at the same time is “keeping a keen eye” on market dynamics.

“(Inflation) hasn’t mitigated yet in the US, and our retailer partners, they understand that, and they’re seeing it,” he said. “So we’re not feeling that pressure. But we’ll continue to look at our demand elasticity trends and our channel mix so that we can adjust and meet our evolving needs of both of our customers and consumers so that we continue to drive margin management through our business in the US.”

On a company-wide basis, elasticity has been most pronounced in bread, Mr. Servitje said.

“We have experienced elasticity in particular categories, I would say mostly on the sliced bread category,” he said. “And it depends country by country, but that is where we are. And we are reacting to these with the particular programs in each country, focused on restoring the opportunities that we find in this category and in some channels.”

Net majority income of Grupo Bimbo in the second quarter was 3.95 billion pesos ($234 million), down 36% from 6.15 billion a year earlier. The drop was attributed to the MEPPS benefit in the second quarter of last year, equating to $90 million. Excluding the impact of the MEPPS benefit, net majority income fell 11% in the quarter with margins 60 basis points tighter. Higher financing costs pressured profitability, the company said.

Sales were 100.37 billion pesos ($5.95 billion), up 4.1% from 96.42 billion pesos.

While inflation remains a challenge for the company, its impact is easing, Mr. Gaxiola said.

“We will gradually start to see tailwinds during the second half of the year, but more on the fourth quarter,” he said. “This coupled with the operating leverage coming from sales growth and productivity benefits from past investments in CapEx and OpEx as well as a positive effect coming from FX rate hedges will result in the margin expansion that we are expecting for the year.”

Bimbo said the company now is operating with 100% renewable energy in China, Morocco and Kazakhstan, increasing to 24 the number of countries Bimbo now operates with 100% renewable electricity. MBN

ZERO CARB CO. PARTNERS WITH GRUPO BIMBO

WAGENINGEN, THE NETHERLANDS – Gluten-free, keto-friendly bread producer Zero Carb Co. (ZCC) is partnering with Grupo Bimbo SAB de CV to expand distribution and production capabilities. ZCC is a joint venture startup of baking company Bakker Wiltink and venture builder BOX NV.

Over the past five years, the company has developed a gluten-free and carb-free product line that includes sliced white, golden and brown multi-seed bread. The keto-friendly bread contains high fiber and protein content, according to the company.

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“ZCC bread aims at re-attracting consumers to the bread category, now a tasty gluten-free, zero carb bread is available,” said Roel Orsel, chief executive officer of ZCC. “I can say with my more than 30 years of experience in the profession that it is the most profound paradigm changing development in the bread category I have seen in years.”

Through the partnership with Grupo Bimbo, ZCC parent company Wiltink will be the first licensee for the Benelux Union countries – which include Belgium, The Netherlands and Luxembourg – using the company’s YAM Keto bread brand. While this partnership will greatly expand production and distribution capabilities, ZCC noted that the company is open to licensing its technology to more potential partners in other markets. MBN

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Crackers category calls on innovation

Cannabis, vegetable flour among ingredients manufacturers turn to for spark

While the biggest news in recent weeks may be that Campbell Soup Co. is investing $160 million in its manufacturing facility in Richmond, Utah, to ramp up output of Goldfish crackers by 50%, it is actions taken by smaller players in the crackers category that may prove to be a spark for segment growth.

Dollar sales in the crackers category in the 52 weeks ended July 16 totaled $9.41 billion, up 13% from the same period a year ago, according to Circana, a Chicago-based market research firm. Unit sales, though, fell 4.1% to 2.61 billion.

Simple Mills
New!
POP Mmms
VEGGIE FLOUR BAKED SNACK CRACKERS
Cheddar

Unit sales may get a boost from several new products bringing a different look to the category.

Better-for-you foods company Simple Mills is launching Cheddar Pop Mmms, a line of snack crackers made from vegetable flour. With a focus on sustainable agriculture and planetary health, Pop Mmms are formulated with diversified crops such as organic butternut squash and organic red bean. The product offers a low-calorie snacking option at 120 calories per 50-cracker serving and joins a portfolio that includes crackers, cookies, baking mixes and bars.

"Our mission to advance people and planetary health starts with the ingredients we use, which is why we're so passionate about using underrepresented crops that drive diversity," said Katlin Smith, founder and chief executive officer of Chicago-based Simple Mills. "When we began the innovation process for Pop Mmms, we carefully selected diverse, nutritious ingredients that not only support our approach to revolutionary food design for people and planet, but also deliver on bold flavor and a light, airy texture that is irresistible."

Pop Mmms are available at Whole Foods Market and online at Amazon.com.

"Free-from" also is playing a product development role in the crackers category.

Tukwila, Wash.-based Dare Foods' brand Breton Crackers is adding two varieties to its line of gluten-free crackers.

The Non-GMO Project verified crackers are formulated from a combination of tapioca and green lentil flours, available in flavors like herb and garlic or flax and sea salt. Breton's latest additions offer a cholesterol-free snacking option, with zero grams of saturated fat per serving, that pairs with cheeses, meats or spreads.

"Our goal is to offer delicious and good-for-you crackers to the growing number of consumers looking for gluten-free and plant-based products," said Kat Palange, US marketing manager for Breton.

Meanwhile, Austin, Texas-based Fit-Joy, LLC, a maker of allergen-friendly and gluten-free snacks, is launching grain-free crackers. The crackers are allergen-friendly, gluten-free, Non-GMO certified, dairy-free and nut-free and will be available in three flavors: classic, white cheddar and pepper jack cheese.

The crackers became available nationwide on Aug. 1 for $5.99 to $6.49 per 8-oz box.

Another different take on the cracker category comes from Tempo Crackers, Los Angeles. A maker of snacks formulated with cannabis, Tempo Crackers in early May closed a new round of financing from manufacturing partner Punch Edibles to support the brand's expansion beyond California into new markets.

Launched in 2020, Tempo Crackers were created as a savory option among the many sweet offerings in the cannabis snacks and edibles market, which reached $4 billion in legal sales last year. Each cracker is precisely dosed with specific ratios of cannabis compounds tetrahydrocannabinol (THC) and cannabidiol (CBD) to deliver different effects. Flavors include black pepper, chipotle honey, chili limon, rosemary sea salt and sour cream and onion, as well as new additions Buffalo cheddar, truffle Parmesan and salt and vinegar. The products are sold online and in dispensaries throughout the Los Angeles area.

"I grew up in the Texas snack belt, next to the headquarters of Frito-Lay, and spent my early life enthralled by the intense flavor profiles and out-of-this-world texture of modern snacks," said Robert Holland, chief executive officer of Tempo Crackers and previously a strategy consultant in consumer products, supply chain and analytics. "I wanted to bring that same joy to the edible experience in California. With our range of flavor profiles and dosages, everyone can find the Tempo that's right for them." MBN

— Eric Schroeder

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Harsh conditions threaten Canada's wheat crop potential

BY DREW LERNER

KANSAS CITY — Canada Prairies wheat has been toasted without being harvested this summer. Too much dryness and heat has crushed the grain into a smaller potential volume of flour. The impact of lower production will be felt around the world because of other problems with spring wheat and durum in the northern US Plains, North Africa, parts of Europe and northern China.

Most of the production woes this summer were not likely as significant in areas outside of Canada as they were within the confines of the Prairies. Southern and eastern Alberta and southwestern Saskatchewan came into the growing season with seven years of poor rainfall reflected in very low soil moisture. The ground was too dry to support crops during periods of dry weather without a general soaking rain occurring first. Well, there has been no soaking this summer. May was the hottest month. June was not much better, and July was not nearly as hot, but rainfall was as poor as it was in June for many areas and now the ground is critically low of moisture.

Reproduction and filling of all small grains produced in Canada this summer has occurred in a harsh environment during much of the growing season. There were some occasions when rain fell and encouragement was given for the future, but July weather was too dry. Soil moisture decreased greatly in July with drought that had been confined to the southwestern Prairies quickly expanding through all of Saskatchewan. At the end of July soil moisture in western Manitoba was also rated very short.

The lack of rain has put a final nail into the spring cereal coffin for 2023. Some areas have produced well, but a larger percentage of this year's crop has not been so fortunate, and lower production is expected nationally. Manitoba, eastern Saskatchewan and western Alberta yields were best. Even though the crop is not finished, there is not enough time left in the growing season to turn around the damage done. Most of the cereal crops are filling and maturing with some already being harvested.

Canada's woes are also found across the border in the northern US Plains although the damage done there was not suspected of being quite so harsh. Some counties in Montana and North Dakota endured the same fate as Canada's Prairies wheat, barley and oats, but there were other areas reporting favorable production. Nevertheless, North America small grain production also was reduced by a very tough year in hard red winter wheat areas of the central Plains. The Midwest soft wheat crop performed very well, and irrigated crops in the Pacific Northwest also performed well.

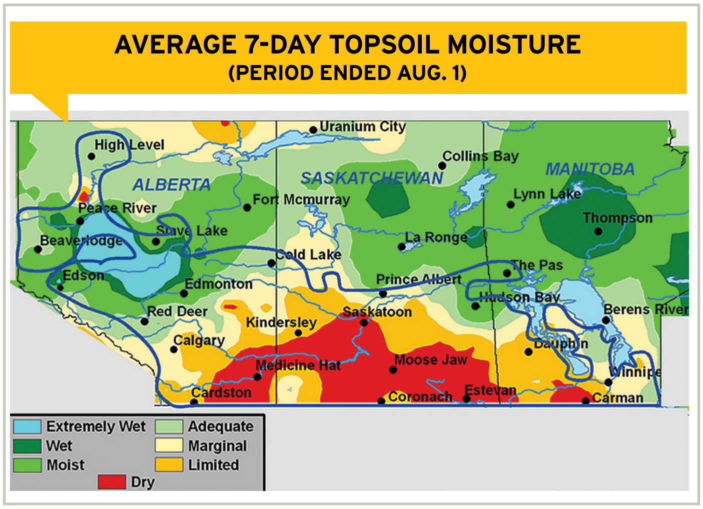
Outside of North America, small grain production has been reduced to some degree in parts of Europe because of dryness and some heat this summer. The damage done in Europe may not have been as significant as that in Canada, but it will be a smaller crop as well. The 2022 small grain crop in Europe was more seriously harmed by dryness and heat than this year's crop, but the smaller crop was additive to the losses from North America.

The same may be said for some of the spring wheat in Russia and Kazakhstan. Weather this growing season was frequently drier and warmer than usual, resulting in some reduction in overall production. Again, the losses from central Asia were not enough on their own to have a big impact on the world although when added to problems in the United States, Canada, Europe and North Africa, the impact becomes a little more interesting.

North Africa finally got its durum wheat crop harvested this year. Dryness occurred during reproduction, and then rainy weather occurred during the harvest. Recent conditions have been incredibly hot, but the heatwave had little impact on production other than accelerating crop maturation and harvesting.

China winter wheat production — like that of India, Russia and Ukraine — was mostly good this year, but spring cereals suffered a little loss in Inner Mongolia. World Weather, Inc. does not believe the setback in China's spring wheat will have much impact on world small grain supply, but then there are Argentina and Australia.

It has been a few months since World Weather, Inc. assessed wheat in Argentina, but the nation is still suffering from a long-term drought. Just enough rain has occurred in western production areas to get the crop emerged and poorly established. Much more rain is needed to get the production potential back on target after persistent drought. The odds



AVERAGE 7-DAY TOPSOIL MOISTURE
(PERIOD ENDED AUG. 1)

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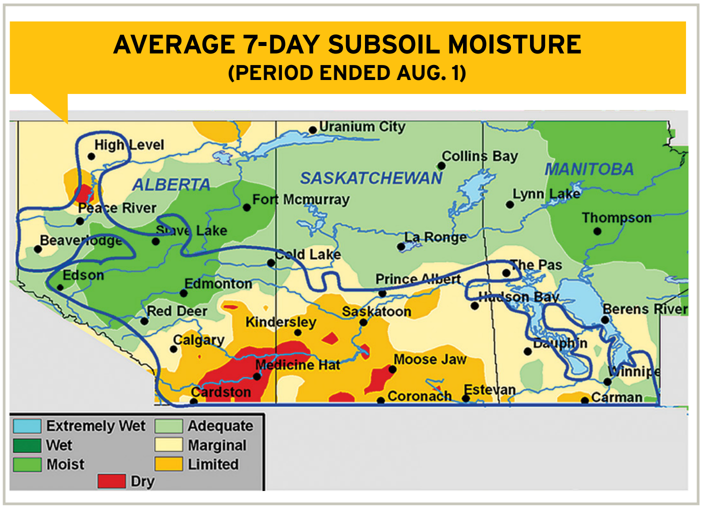
of getting significant rain in the first half of August are not good, and that may lead to some yield loss in the new crop regardless of how good the crop weather is later this season. There is still time for better establishment before spring growth begins, but time is ticking away, and September weather will be critical in determining the direction for this year's new crop. World Weather, Inc. still believes improved weather is coming, but western Argentina may have to wait long enough to reduce some of the production potential.


AVERAGE 7-DAY SUBSOIL MOISTURE
(PERIOD ENDED AUG. 1)

ALBERTA
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MANITOBA
Uranium City
High Level
Collins Bay
Lynn Lake
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Thompson
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Beaverlodge
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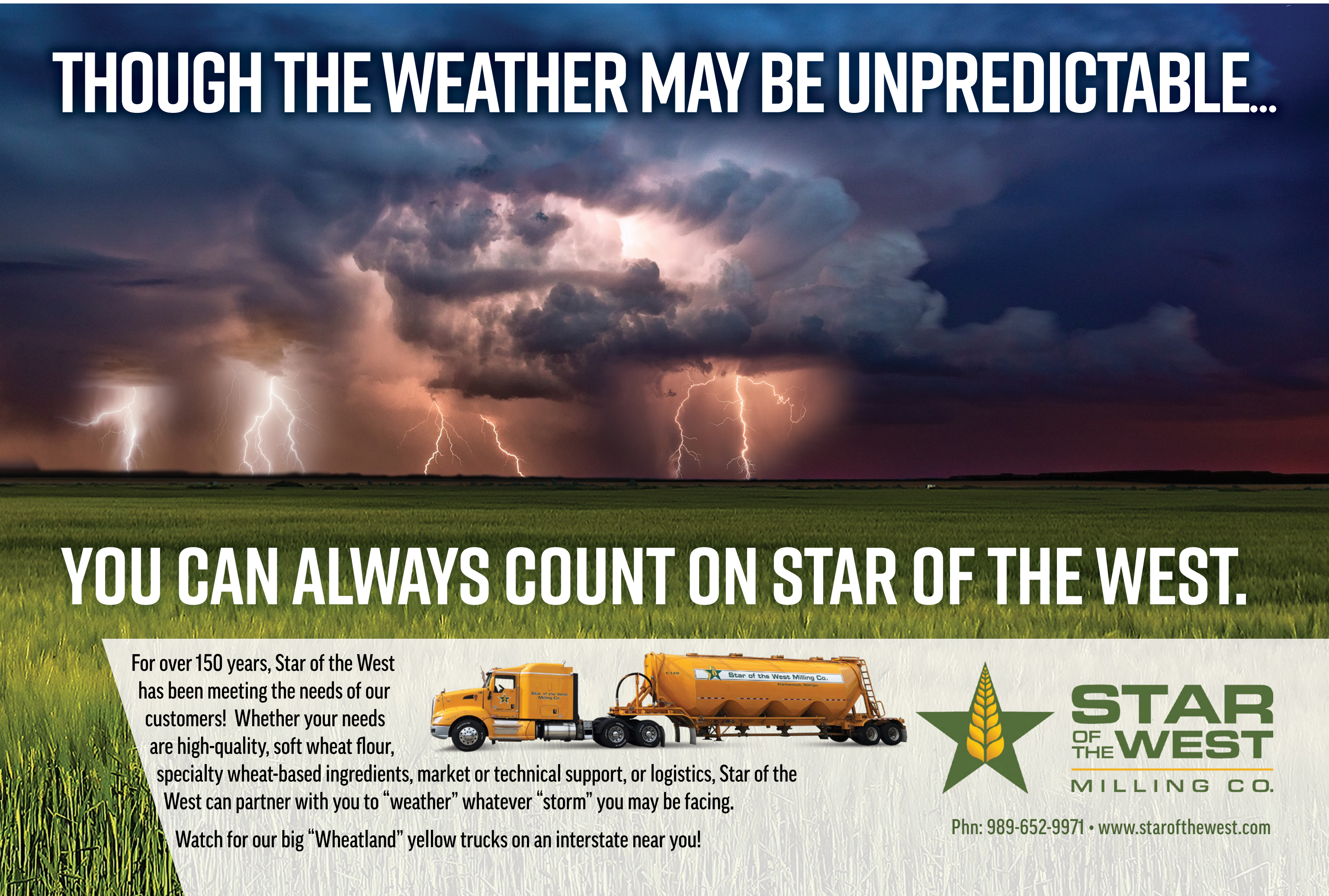
Adequate
Wet
Marginal
Moist
Limited
Dry

Australia has had good wheat and barley crops in recent years resulting from La Niña-induced favorable soil moisture. The same is not expected this year because of El Niño, which may cut into eastern production. The losses are expected to be slight, but a smaller crop than last year is going to be the result.

Each of these weather-related cuts in small grain production will contribute to a higher level of market interest on planting of small grains this autumn in the United States, Europe, CIS, China and India. Preliminary forecasts suggest a better-established crop in the US central Plains, across much of Europe and in both Ukraine and Russia (without consideration of the war). China may have to deal with a little dryness this autumn, and India's monsoon will withdraw early. Winter rainfall will be minimal, suggesting a smaller 2024 wheat crop from that nation. North Africa crops should do much better in 2024 and so shall Canada, but until then a close watch on weather is warranted for each of the areas discussed above for signs of surprising changes to 2024 crop production. MBN

Drew Lerner, president of World Weather, Inc., is a contributing editor at Sosland Publishing Company.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Scouts project 47.4 bus per acre for North Dakota spring wheat

FARGO, ND. — The 2023 northern Plains wheat crop's main narrative — delayed planting on the heels of a cold winter followed by moisture shortages during crop development — has not derailed the potential for strong yields and production numbers for hard red spring wheat and hard amber durum.

Such were the findings of 57 crop scouts who trekked across North Dakota and northwestern Minnesota in late July on the Hard Spring & Durum Wheat tour. Scouts from across the wheat value chain, including growers, grain company employees, millers, bakers, ingredient suppliers and food manufacturers along with representatives from the US Department of Agriculture, academia and the media, followed seven routes July 25-27 across North Dakota, the nation's leading spring wheat production state, to generate yield estimate comparisons to previous tours. Scouts entered and measured only unfenced fields without posted no trespassing signs. A smartphone app where landowners can mark their fields "no trespassing" assisted in the effort to respect growers' wishes.

Nightly tour car reports indicated scouts saw wheat that was by and large in good shape with healthy stands, plants mostly ranging in height from 21 inches to 31 inches, and dry soils. Most participants packed mud boots just in case but found they weren't needed except in a few fields in northwestern Minnesota. Despite the surface dryness, subsoil moisture seemed generally adequate considering rain during the growing season was inconsistent with the exception of a near-statewide downpour June 25. Cracks visible in the surface soil were somewhat rare and only about an inch deep.

Some fields had wheat still flowering during the late-July tour, but most plants were in the late soft-dough development phase. Scouts noted instances of various quality issues, but most in just a few wheat heads per field. Among them were fusarium head blight, wheat stem maggot, wheat smut and pressure from aphids (seen occasionally on wheat heads along with their predator, the ladybug) and grasshoppers. Some fields had mild weed pressure near the edges, though a few appeared choked with weeds nearly rivaling the wheat in height.

A ladybug sits on a wheat head in a hard red spring wheat field just west of Minot, ND, on July 26. Ladybug sightings indicated the nearby presence of their food source, aphids. Both were noticeable, but relatively rare sightings on the July 25-27 tour.

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In total, scouts visited 343 fields: 318 hard red spring wheat, 21 hard amber durum and 4 hard red winter fields. For spring wheat, the tour estimated the average yield at 47.4 bus per acre (bpa). That compared with 49.1 bpa for the 2022 tour, during which 267 spring wheat fields were examined, 29.1 bus as the 2021 tour estimate based on 257 surveyed fields, and 40.1 bus as the average yield estimate for the most recent five tours, which excludes the COVID-canceled 2020 tour. It was the second highest estimated spring wheat yield dating to 49.9 bpa as the tour's 2015 estimate.

The tour's 47.4 bpa estimate compared with 47 bpa as the USDA's forecast for North Dakota spring wheat yield published in the July 12 Crop Production report.

"We came within one point of the USDA-NASS number," said Brian Walker, who worked in various wheat quality and technical services roles for 46 years and hosted the tour's nightly meetings as a representative of the North Dakota Wheat Commission. "This group is pretty good. I don't know that we've ever done that before."

The tour visited 21 durum fields and noted mostly good stands and healthy heads featuring the tight herringbone pattern of kernels. The calculated average yield for durum was 43.9 bpa, which compared with 39 bpa in 2022 based on 35 field measurements and 34.9 bpa as the average durum yield estimate for the past five tours. The tour also measured four hard red winter wheat fields and generated a yield estimate of 39.6 bpa.

The spring wheat and durum tour wrapped with a meeting at the Northern Crops Institute (NCI) on the campus of North Dakota State University in Fargo. NCI promotes northern Plains/Upper Midwest crops under the direction of program manager Brian Sorenson.

The institute provides educational programming on crops in Minnesota, Montana and the Dakotas via short courses, conferences and handbooks. The technical services arm of NCI encompasses analytics, water quality, pasta processing, baking and other areas of wheat quality and utilization.

"This is the last year the Wheat Quality tour wrap-up session will be in this building because we will be building a new NCI and Cereal Sciences building out to the west at the NDSU Peltier Complex a couple blocks away," Mr. Sorenson said. "We're excited about the new building as it will give us greater capability to do what we do." MBN

Lee Sanders stepping down as ABA head of government affairs

WASHINGTON — **Lee Sanders**, whose career with the **American Bakers Association** extends back 30 years, will be stepping down from the group in mid-August, the ABA announced July 31.

Ms. Sanders currently serves as ABA's senior vice president of government relations and public affairs. In this role, Ms. Sanders has led the ABA government relations team representing the baking industry before Congress, federal agencies, state legislatures, and international policy making bodies. Additionally, Ms. Sanders has served as a spokesperson for the industry regarding numerous issues and has offered guidance to ABA members regarding governmental matters. She is a founder and immediate past chair for the Food and Beverage Issue Alliance that serves as a platform for communications for over 50 FDA-regulated food trade associations working to craft unified positions on nutrition and food safety issues, meeting quarterly with the FDA and other federal government agencies.

Sanders

“I am proud of the legislative, regulatory and partnership work accomplished for the baking industry over the past three decades,” Ms. Sanders said. “The personal and professional relationships I have formed with members and the ABA team over the years are precious to me. I look forward to a new chapter and am excited to consider fresh opportunities where I can leverage and elevate my expertise for the benefit of other organizations. My passion for the baking industry will never diminish. I wish ABA all the best as it charts new territory and moves forward for a bright future.”

A graduate of the University of Mississippi, Ms. Sanders started her career in the office of Senator Thad Cochran of Mississippi and later served in the White House under George H.W. Bush. She joined the ABA in 1993 as an assistant to the president for legislative and regulatory affairs and was named director of legislative and regulatory affairs two years later. She has held her current role since 2006 and is ABA corporate secretary.

Ms. Sanders leads the Grain Chain coalition, comprised of farm-to-fork grain organizations, engaging in outreach and developing messaging to achieve nutrition policy goals. She was the founder and is the current president of the Society of Bakery Women, a 501(c) (3) organization promoting diversity in the baking industry. She is a past chair of the Wheat Quality Council. She is the recipient of the Robert A. Fischer Distinguished Service Award from the American Society of Baking, the Full Kernel Award from the WQC and the Myro D. “Mike” Baustian Memorial Award from AACCI.

Eric Dell, president and CEO of the ABA, hailed Ms. Sanders' decades of dedicated service to the baking industry.

“Lee is greatly respected not only in the industry but also in Washington for her extensive knowledge of the issues and for the relationships she has been able to forge in order to elevate ABA's policy goals and influence change,” Mr. Dell said.

Cordia Harrington, ABA chair and founder and CEO of Crown Bakeries, voiced appreciation for Ms. Sanders years of service and her “deep knowledge of everything ‘baking.'” MBN

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People

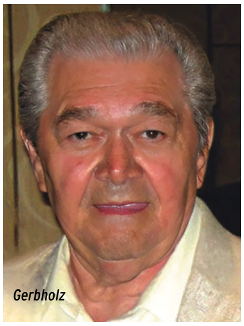
Hugo Gerbholz, longtime ConAgra Foods miller, dies at age 89

OMAHA, NEB. — **Hugo Gerbholz**, a longtime flour milling expert with **ConAgra Foods**, died on July 28 in Omaha. He was 89 years old.

Mr. Gerbholz, who was born in Kassal, Germany, on Feb. 20, 1934, spent most of his 54-year career with ConAgra, traveling from plant to plant installing equipment, increasing capacity and troubleshooting. He served as the company's regional technical miller from 1993 to 2006 and as director of technical milling from 1993 to 2006, when he retired. After retirement, Mr. Gerbholz served for several years as milling consultant for the company. In 2014, ConAgra Foods milling business merged with Horizon Milling and CHS to form what is today known as Ardent Mills.

Before working at ConAgra, he was a shift miller for Robin Hood Flour Milling Co. in Calgary, Alta. He was later transferred to the company's plant in Detroit, where he was an assistant miller.

He was a member of the International Association of Operative Millers (IAOM). In 2006, he received the Thaddeus Bownik Award, which is presented annually by IAOM in recognition of a member's many years of support and contributions to the flour milling and grain processing industry, and for special contributions to the association as a member of the board of directors and standing or special committees.


Gerbholz

Melinda Farris, executive director of the IAOM, said Mr. Gerbholz was "instrumental in getting millers of ConAgra involved in IAOM, and making sure they attended their respective district meetings. He was a very strong supporter of the association."

Mr. Gerbholz also was honored at the 1999 IAOM Conference and Expo as the recipient of the annual Milling Operative of the Year award, which is sponsored by *Milling & Baking News*, and given to the practicing milling operative who has made the most significant contribution to the progress of a plant, a company and the industry from an operations point of view.

He is survived by a daughter, Dolores Musco (Frank) and sons, Alan Gerbholz (Joannie) and Gordon Gerbholz. He was preceded in death by his wife of 68 years, Edith Gerbholz, who passed away in 2022, as well as his parents, Reinhold and Hedwig Gerbholz. MBN

Karen Horton, account executive, retires from Ardent Mills

CHICAGO — **Karen Horton**, key account executive at **Ardent Mills LLC**, retired from the company June 2. Her retirement comes just shy of a decade spent with Ardent Mills.

Ms. Horton's career in the milling industry has spanned decades, beginning in 1974 when she began work as a transportation specialist for Cargill. Following nearly 10 years with Cargill, Ms. Horton was hired as a credit specialist for Albany, NY-based Horizon Milling, LLC. In 1990, she was named national account sales manager at Horizon Milling, a role she held for the next 24 years until joining Ardent Mills.

She was the first female board member of the National Association of Flour Distributors.

"Through many market and personal challenges, Karen always remained positive, steadfast, focused and motivated to win the right way," said Ardent Mills. "She always put herself second and her customers and colleagues first.

"All the staff both current and past at Ardent Mills wish Karen, Steve, their children and grandchildren the very best health and enjoyment." MBN

Nothing Bundt Cakes brings Berle on board as new CEO

ADDISON, TEXAS — **Dolf Berle** has been named chief executive officer of **Nothing Bundt Cakes**, the largest specialty cake bakery in the United States. He also has been elected to the company's board of directors.

Mr. Berle most recently was CEO of Lindblad Expeditions, a global adventure travel operator. Earlier, he was CEO of Topgolf and president and chief operating officer at Dave & Buster's.

"During his time at both Topgolf and Dave & Buster's, Dolf led efforts that nearly doubled unit count and increased average unit volume by double digits, and that growth mindset is key to what we want to achieve at Nothing Bundt Cakes," said Sarah Spiegel, managing director of Roark Capital, which acquired Nothing Bundt Cakes in 2021. Ms. Spiegel served as interim CEO during the selection process.

Nothing Bundt Cakes has over 500 franchised and corporate bakeries in 40-plus states and Canada. MBN

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MARKET *trends*

1

Wheat futures plunge as Ukraine war news wears thin, Russian exports seen rising.

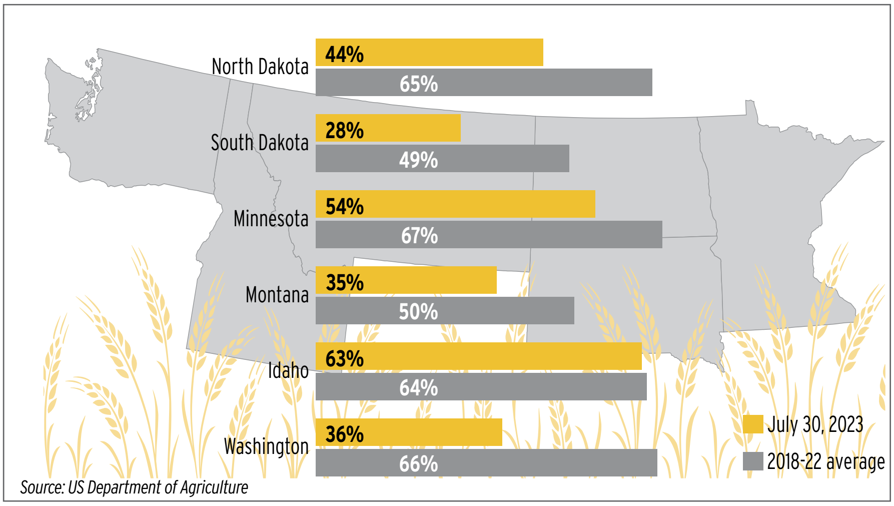
2

Favorable weather forecasts send corn, soybean futures sharply lower.

3

Cheddar prices up more than 35% since June 30 on less milk, steady/strong demand.

SPRING WHEAT GOOD-TO-EXCELLENT RATINGS



Source: US Department of Agriculture

Good-to-excellent spring wheat condition ratings dropped late in the season and were below five-year averages in all six spring wheat states.

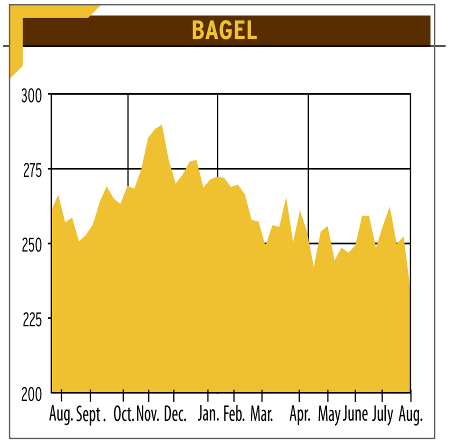
PRICE INDICATORS

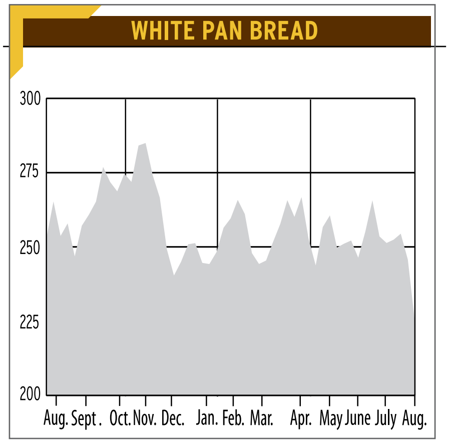
	CHANGE FROM		
	JULY 28	JULY 21	YEAR AGO
PAN BREAD FLOUR	▼	▼	▼
KC WHEAT FUTURE, NEARBY	▼	▼	▼
12.2% HARD WINTER BASIS	▼	▼	▼
KC MILLFEED, SPOT	▬	▲	▼
SOYBEAN OIL, DECATUR	▼	▼	▼
CORN FUTURE, NEARBY	▼	▼	▼
SOYBEAN FUTURE, NEARBY	▼	▼	▼
REFINED CANE SUGAR	▬	▬	▬
NONFAT DRY MILK	▼	▼	▼

BAKERY INGREDIENT INDEXES

		– *Change from* –		
	Aug. 4	July 28	July 21	Year ago
Bagel	234.3	-18.1	-15.5	261.2
Cake donut	255.6	-4.2	-7.5	386.4
Devil's food cake	302.7	-1.6	-2.9	383.3
Pasta	352.6	+13.1	+11.5	346.3
Saltine cracker	194.4	-15.8	-22.0	239.6
Shortbread cookie	264.1	-5.3	-9.9	310.6
White pan bread	224.6	-21.2	-29.8	253.0

Indexes are based on ingredient costs using standard formulas. Additional details appear on the Ingredient Week Trends page on a rotating basis.





Bakery Flour

After several weeks of lackluster demand, bookings of bakery flour expanded last week as prices were lowered in response to a remarkable wheat futures slide and a declining cash basis.

Flat pricing or extensions of futures and basis components was most common, millers said. Millfeed remained a sticking point for many buyers dissatisfied with summer values. Some planned to add the feed component later, hoping post-summer prices strengthen closer to historical levels, but were happy to book futures and basis at last week's levels.

Buying was consistent across all sectors. Among those extending coverage were major bread bakers, large commercial bakers, breading/batter makers, foodservice suppliers, independent regional bakers, manufacturers of consumer packaged goods, freezer meals and appetizers and distributors.

Along with continued volatility, millers suggested buyers who use hard winter-spring wheat blends keep abreast of the spread between Minneapolis and Kansas City wheat futures. Ideas about a second year of Central Plains drought cutting into production and yields in hard red winter wheat tamped down Minneapolis's historical premium to Kansas City for much of this year, and KC for a time was higher. In recent weeks, the premium of the Minneapolis September contract above Kansas City widened to about 70¢ a bu.

Plus, after a period of absence, there were carrying charges in the market.

"Carries are here to stay because farmers aren't selling, specifically not selling spring wheat right now, and because of the cost to hold wheat," a miller said. "If the farmer has to take a loan to buy his gas for the tractor for the next six months, it's more expensive than before."

One miller said more than seven days' grind equivalent was booked in the first four days of the week. Another estimated the range of total US flour coverage at 85% to 90% for the current quarter, 35% for the fourth quarter and 10% to 15% for the first quarter of 2024.

By grade, current-quarter coverage was estimated at 95% for hard wheat flour and 80% for soft flour. For the fourth quarter, hard-wheat-milled flour was 50% to 55% booked and soft flour about 20%. First-quarter 2024 coverage was about 15% for spring grade users, 10% for pan bread bakers and 5% for cookie-cracker and specialty bakers. **MBN**

BAKERY FLOUR

	Aug. 4	– Change from – July 28	July 21	Year ago
Kansas City				
Bakers short patent	18.75	-2.35	-3.25	21.75
Bakers standard patent	18.65	-2.35	-3.25	21.65
Second clear	8.85	–	–	8.85
Minneapolis				
Spring short patent	19.85	-1.90	-1.55	22.40
Spring standard patent	19.75	-1.90	-1.55	22.30
High gluten	20.65	-1.90	-1.55	23.20
Whole wheat	19.75	-1.90	-1.55	22.30
Specialty whole wheat	20.10	-1.90	-1.55	22.65
Fancy spring clear	19.60	-1.90	-1.55	22.15
First spring clear	19.50	-1.90	-1.55	22.05
Rye, white	24.75	–	-0.10	23.30
Chicago				
Cracker	13.10	-1.75	-2.15	18.00
Fancy cake	14.60	-1.75	-2.15	19.50
New York				
Winter/spring blend	21.15	-2.35	-3.25	24.15
Spring standard patent	22.45	-1.85	-1.35	25.15
High gluten	23.35	-1.85	-1.35	26.05
Fancy cake	16.60	-1.75	-2.15	21.50
Rye, white	27.25	–	-0.10	25.80
Los Angeles				
Bakers standard patent	23.65	-2.35	-3.25	26.65
Pastry	23.80	-2.35	-3.25	26.75

Bulk, f.o.b. car, $ per cwt

Family Flour

Sales and shipments of national and regional brands of family flour were slim, and the pace of shipments was seasonably slow. List prices were steady.

Some flour manufacturers continued to build stocks ahead of the fall bake season, while others had filled warehouses in prior weeks. Flour manufacturers said a fall sales bump might not materialize until mid-September. One said the delay was likely part of a lengthy trend of less home baking and that hot summer temperatures could be an excuse for bakers to stock up later rather than sooner this year.

Private label customers were active, pushing coverage extensions out through January in some cases, millers said. **MBN**

DURUM AND SEMOLINA

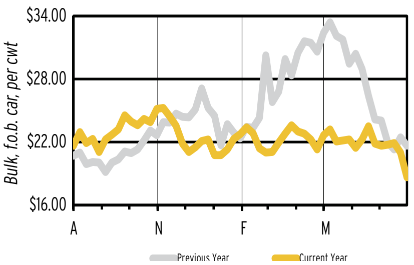
	Aug. 4	– Change from – July 28	July 21	Year ago
Durum				
Chicago	14.00	+.50	+1.75	14.00
Minneapolis	13.80	+.50	+1.75	13.80

No. 1 Hard Amber Durum Choice Milling 13%, Track, $ per bu

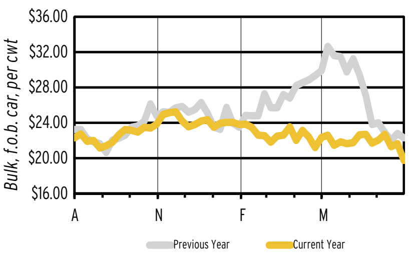
Semolina	Aug. 4	– Change from – July 28	July 21	Year ago
Semolina	33.50	+1.25	+4.30	32.90
Granulars	33.30	+1.25	+4.30	32.70
Flour	33.20	+1.25	+4.30	32.60
First clear	15.00	–	–	15.00
Second clear	7.50	–	–	7.50
Semolina - NY	36.80	+1.25	+4.30	36.10

Bulk, f.o.b. Minneapolis, $ per cwt

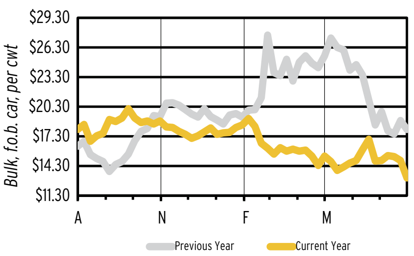
BAKERS STANDARD, KANSAS CITY



SPRING STANDARD, MINNEAPOLIS



CRACKER FLOUR, CHICAGO



Semolina

Semolina, granulars and durum flour activity was limited last week as buyers browsed, hoping for prices last seen three weeks earlier. Prices were raised alongside higher quotes in an illiquid durum market.

Durum millers indicated buyers had plenty of coverage they hoped to add, but were forced to hit pause due to sticker shock as prices were raised to reflect a $2.50 increase in hard amber durum quotes since early July.

The price of choice milling hard amber durum as quoted at the Chicago rail gateway for delivery beyond was $14 a bu, up 50¢. Farmers were not selling durum, so elevators had limited supplies to market. "No offer" signals and the lack of liquidity reinforced a bullish tone and added a mild panic to the market, a miller said. Algeria canceled its tender after seeing offers.

Durum mill runtimes rose to 5½ days on average. Unknown was whether the unexpected August bump was temporary.

As of July 30, 55% of North Dakota durum was in good-to-excellent condition, a decline from a week earlier, the USDA said. Montana durum was 27% good-to-excellent with about 3% of that state's durum already combined by July 30. **MBN**

NO. 1 HARD WINTER

	Aug. 4 Premium	– Change from – July 28	July 21	Year ago
Ordinary	55 @ 65	-15 @ -15	-35 @-35	152 @ 162
11%	65 @ 75	-5 @ -5	-35 @-35	152 @ 162
11.2%	65 @ 75	-5 @ -5	-35 @-35	152 @ 162
11.4%	65 @ 75	-5 @ -5	-35 @-35	152 @ 162
11.6%	65 @ 75	-5 @ -5	-35 @-35	152 @ 162
11.8%	65 @ 75	-5 @ -5	-35 @-35	152 @ 162
12%	65 @ 75	-5 @ -5	-35 @-35	126 @ 136
12.2%	65 @ 75	-5 @ -5	-50 @-50	126 @ 136
12.4%	65 @ 75	-5 @ -5	-50 @-50	126 @ 136
12.6%	70 @ 80	–	-45 @-45	126 @ 136
12.8%	70 @ 80	–	-45 @-45	126 @ 136
13%	70 @ 80	–	-45 @-45	126 @ 136
13.2%	70 @ 80	–	-45 @-45	126 @ 136
13.4%	70 @ 80	–	-45 @-45	126 @ 136
13.6%	70 @ 80	–	-45 @-45	126 @ 136
13.8%	70 @ 80	–	-45 @-45	126 @ 136
14%	70 @ 80	–	-45 @-45	126 @ 136

Basis Kansas City Sept., cents per bu

NO. 1 HARD SPRING

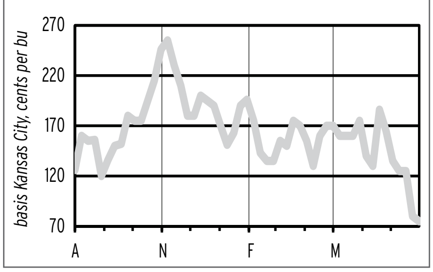
	Aug. 4 Premium	– Change from – July 28	July 21	Year ago
Ordinary	. . .	. . .	. . .	. . .
11%	. . .	. . .	. . .	. . .
12%	. . .	. . .	. . .	80
13%	80	+10	. . .	. . .
13.5%	100 @ 105	+25 @ +30	-10 @-5	. . .
14%	100	+35 @ -20	+25 @-10	160 @ 185
14.5%	100	+10	. . .	125 @ 130
15%	. . .	. . .	. . .	135 @ 200
16%	. . .	. . .	. . .	. . .
17%	. . .	. . .	. . .	. . .

Basis Minneapolis Sept., delivered Chicago\beyond cents per bu

GULF EXPORT BIDS AND OFFERS

For shipment	Aug. 4 Bid	Offer	Year ago Bid
No. 1 Hard 12%, Track Gulf			
August	+105 Sep.	+115	+160 Sep.
September	+105 Sep.	+115	+160 Sep.
October	+140 Dec.	+150	+175 Dec.
November	+140 Dec.	+150	+175 Dec.
Basis Kansas City future, cents per bu			
No. 2 Soft Red, c.i.f. New Orleans			
August	+45 Sep.	+55	+70 Sep.
September	+55 Sep.	+65	+85 Sep.
October	+80 Dec.	+90	+70 Dec.
November	+95 Dec.	+105	+80 Dec.
Basis Chicago future, cents per bu			

NO. 1 HARD WINTER PREMIUM, 12.2%



PACIFIC NORTHWEST

For shipment	Aug. 4 Bid	– Change from – July 28	July 21	Year ago
No. 1 Soft White, Track, Portland				
August	7.00	-.35	-.65	9.25
September	7.10	-.55	-.55	9.25
October	7.10	-.55	-.55	9.20
$ per bu				
No. 1 Hard 11.5%, Track, Portland				
August	0.65	–	+.30	1.60
September	0.65	-.10	+.30	1.60
October	0.50	-.40	-.10	1.60
Basis Kansas City future, $ per bu				
No. 1 Spring 14%, Track, Portland				
August	0.80	+.10	+.20	1.05
September	0.95	+.25	+.35	1.05
October	1.00	+.15	+.15	1.25
Basis Minneapolis future, $ per bu				

Cash Wheat

HARD WINTER. The hard red winter wheat basis in Kansas City was unchanged to 15¢ a bu lower last week.

Offers were scanty, comprised largely of southern Plains wheat traded to Los Angeles or South Dakota/Nebraska wheat headed east through Chicago. That middle- and low-protein Colorado and Kansas wheat traded lower even though a glacial pace of August contract applications indicated millers had plush nearby pipelines and weren't pressing.

Basis deterioration of about $1 a bu over the summer, coupled with a remarkable weeklong downturn in wheat futures, mostly turned off selling. It wasn't clear if farmers were selling wheat off the combine. Country elevator ownership was at higher-than-normal levels, traders said, because much of the supply was purchased at higher prices before July's 60¢-a-bu declines. A return of carrying charges to wheat futures was insufficient to cover storage, a trader said.

The US Department of Agriculture pegged the Kansas hard red winter wheat harvest at 95% completed by July 30 (87% a week earlier, 99% as the five-year average). The state's last remaining fields were being cut "down toward the Oklahoma border, primarily so they could report numbers to crop insurance," a terminal manager near Wichita told Kansas Wheat in its final harvest report.

Hard red winter wheat harvest continued north and west of Kansas with completion by July 30 at 81% in Colorado (48% a week earlier, 95% as the 2018-22 average for the date), 72% in Nebraska (43%, 86%), 74% in South Dakota (46%, 70%) and 21% in Montana (2%, 24%). The harvest was previously completed in Texas and Oklahoma.

Plains Grains Inc., on the basis of 319 samples from Texas, Oklahoma and Kansas analyzed out of an expected 520 across the growing area, said the crop was averaging 12.9% protein (compared with 13% in 2022), 29.9 grams in thousand kernel weight (31.4 grams), 367 seconds in falling number (361 seconds), 59.8 lbs per bu in test weight (61 lbs). The average grade was No. 2 hard red winter versus No. 1 as the 2022 average.

Salina wheat bids nearby were 15¢ under KC September. **Hutchinson** wheat bids nearby were 15¢ under KC September. **Wichita** elevator bids through August were 15¢ under KC September. **Gulf** bids on 12%-protein hard red winter wheat through September were 105¢ over KC September; October-December, 140¢ over KC December.

HARD SPRING. Premiums on milling quality hard red spring wheat in Minneapolis were 35¢ a bu higher to 20¢ lower last week.

On the heels of a wheat quality tour during which scouts reported an average North Dakota crop mostly in good shape, the USDA on July 31 downgraded its good-excellent ratings there to 44% from 54% a week earlier and yanked Minnesota's percentage of good-excellent down to 54% from 74% the week before. Ratings were mostly steady elsewhere: 28% in South Dakota (29% a week earlier), 35% in Montana (35%), 63% in Idaho (63%) and 36% in Washington (40%).

The US crop in the six states was pegged at 42% good-to-excellent condition (49% a week earlier, 70% a year ago), 42% fair and 16% poor to very poor.

Spring wheat harvest (2% completed by July 30 compared with 3% a year ago and 5% as the recent five-year average) was in full swing in South Dakota (21%, 24%, 26%) and Washington (12%, 1%, 11%) but still in its infancy in Minnesota, Montana and Idaho and was yet to begin in North Dakota. Harvest could begin this week in North Dakota spring wheat fields seeded earliest this year, said the North Dakota Wheat Commission in an Aug. 1 report. Producer contacts told the NDWC the crop is holding its own despite less-than-ideal weather conditions, but indicated some below average and near average yields were expected, "highly dependent on planting date."

SOFT RED. Soft wheat mill bids were unchanged. **St. Louis**-area mill had no nearby bid; October, 60¢ under Chicago December; December, 10¢ over December; January, 3¢ over March. **Toledo** mill bids through September were 30¢ under Chicago September; October-December, 20¢ under December; Toledo elevator nearby bid was 38¢ under Chicago September. **Cincinnati** elevator nearby bid was 50¢ under Chicago September. **Michigan** soft white winter wheat mill bids were 10¢ over Chicago September; soft red winter wheat mill bids were 20¢ under Chicago September. **Gulf** bids on soft red winter wheat for August were 45¢ over Chicago September; September, 55¢ over September; October, 80¢ over December.

The winter wheat harvest was complete in the Central states except in Michigan at 62% as of July 30. MBN

Wheat Futures

Wheat futures tumbled last week, extending a remarkable recent slide. Some contracts hit three-week lows amid the ongoing US winter wheat harvest and after improved Midwestern weather forecasts for cooler, wetter weather across the US Midwest held the potential to boost the spring wheat crop for which harvest was just beginning.

Competition from inexpensive Russian wheat and Russia's intonations that a revived Black Sea grain deal wasn't out of the question also exerted pressure on futures, pulling traders' attention away from war-related supply risks in the wake of recent strikes on Ukrainian grain facilities along the Danube River. An attempted Ukrainian drone attack on a Russian port Friday sent fresh shudders through the futures market.

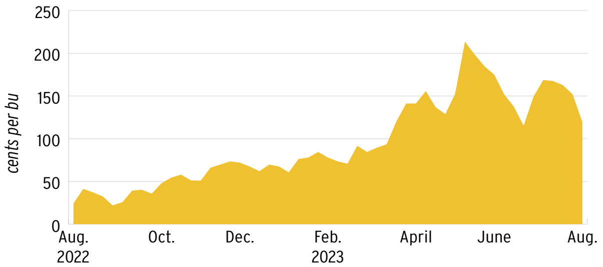
Improved yields and production as the Kansas harvest wound down was reflected in the growing premium of Minneapolis futures versus Kansas City. Minneapolis September closed Friday 69¾¢ above Kansas City September versus 39¾¢ the week before and compared with KC's 1½¢ premium over Minneapolis two months earlier.

The US Department of Agriculture in its weekly Crop Progress report said the winter wheat harvest was 80% completed by July 30 compared with 68% a week earlier and 83% as the five-year average for the date. The spring wheat harvest was 2% completed by July 30 compared with 3% a year earlier and 5% as the 2018-22 average. The USDA rated the condition of the spring wheat crop at 42% good-to-excellent compared with 49% a week earlier and 70% a year earlier.

The USDA said net export sales of US wheat for delivery in 2023-24 during the week ended July 27 totaled 421,300 tonnes, up 81% from the previous week and up 40% from the prior four-week average. China was the week's largest buyer at 138,500 tonnes. Net export sales for 2024-25 in the week totaled 13,400 tonnes.

Algeria bought soft milling wheat, most likely from Russia, Romania or Bulgaria. Tunisia also made soft milling wheat purchases. Egypt bought milling wheat from Russia and Romania. US wheat remains uncompetitive to Black Sea origins except for routine buyers. MBN

NEARBY KC-CHICAGO WHEAT FUTURES SPREAD



The nearby Kansas City-Chicago wheat futures spread narrowed as KC futures dropped sharply on harvest pressure and concerns about strong Russian wheat exports.

Millfeed

Millfeed prices mostly were unchanged in slow trading last week with a weaker tone east of the Mississippi river and a steady to firmer tone to the west.

As has been the case the past few weeks, millfeed supplies have exceeded demand in most areas east of the Mississippi river. Flour grind has been especially heavy in the Northeast. Weekend loads sold at sharp discounts in the Northeast so flour mills could clear bins. Some supplies were shipped to Canada. Most excess supplies were moved to the Southeast where demand from catfish feeders was strong, but even that outlet filled up.

Recent hot, dry weather west of the Mississippi river from Canada to Texas created the need for early supplemental feed, providing an outlet for millfeed and underpinning prices.

Volatility and recent weakness in corn futures prices cast a bearish cloud over the feed market, with millfeed prices in some areas exceeding the value of corn. Buyers remained focused on the spot market as deferred millfeed prices have held stubbornly steady despite lower corn prices with October-March coverage below average.

Millfeed was $150 a ton in Kansas City and $159 a ton in Minneapolis, on a rail basis, compared with corn at $191 a ton and sorghum at $184 a ton, both KC. Corn gluten feed was $5 higher at $230 a ton KC. Dried distillers' grain was $20 lower at $210 a ton KC. Dehydrated alfalfa was down $5 at $380 a ton KC. MBN

WHEAT FUTURES

		– Change from –		Week's		Year	Season's			
	Aug. 4	July 28	July 21	High	Low	ago				
Kansas City							***High***		***Low***	
September	7.52½	-103¾c	-107¾c	8.58	7.52	8.48¼	11.59	(05-19-22)	6.21	(07-14-21)
December	7.69¼	-100c	-97½c	8.68¼	7.68	8.56	11.27¾	(05-19-22)	6.25½	(07-26-21)
March	7.78½	-90c	-82¾c	8.67¾	7.76½	8.62½	11.03¾	(05-17-22)	6.15½	(07-26-21)
May	7.81½	-81¼c	-71¼c	8.55	7.79¼	8.65½	10.44	(05-17-22)	6.15½	(07-26-21)
Chicago										
September	6.33	-71¼c	-64½c	7.03	6.26¼	7.75¾	11.30½	(05-17-22)	5.87¾	(05-31-23)
December	6.60¼	-67¾c	-57½c	7.26¾	6.54¼	7.95¼	11.19¾	(05-17-22)	6.08¼	(05-31-23)
March	6.86¼	-61½c	-48¼c	7.46¼	6.80	8.14	10.93	(05-17-22)	6.23½	(05-31-23)
May	7.00½	-55¼c	-40¾c	7.51	6.94¾	8.26¼	10.62½	(05-17-22)	6.32½	(05-31-23)
Minneapolis										
September	8.22¼	-73¾c	-64¾c	8.95¼	8.21¼	8.86½	11.50	(05-19-22)	7.71¾	(05-03-23)
December	8.37¾	-69¼c	-58¾c	9.04¼	8.37	9.00½	11.20¼	(05-17-22)	7.80½	(05-03-23)
March	8.48	-66¾c	-53½c	9.10	8.47	9.13½	9.67½	(11-01-22)	7.90¼	(05-03-23)
May	8.49	-62c	-48c	8.85¼	8.48½	9.22¼	9.41½	(07-25-23)	7.95¾	(05-03-23)

$ per bu; change in cents per bu

BULK MIDDLINGS

			– Change from –		Year			
	Spot	Aug.	July 28	July 21	ago	Sept.	Oct.-Dec.	Jan.-Mar.
Kansas City	155 @ 165	155 @ 165	–	+5 @ 0	180 @ 190	155 @ 165	150 @ 160	150 @160
Southwest, f.o.b. truck	175 @ 190	180 @ 195	–	+5 @ 0	240 @ 250	180 @ 195	175 @ 190	170 @180
Minneapolis	164 @ 174	164 @ 174	–	+5 @ +5	199 @ 209	164 @ 174	154 @ 164	154 @164
Upper Midwest, f.o.b. truck	160 @ 170	160 @ 170	–	+5 @ +5	195 @ 205	160 @ 170	150 @ 160	150 @160
Chicago West	177 @ 187	177 @ 187	–	+5 @ +5	212 @ 222	177 @ 187	167 @ 177	167 @177
Central states, f.o.b truck	165 @ 175	165 @ 175	–	-10 @ -10	195 @ 205	170 @ 180	175 @ 185	170 @190
Buffalo	130 @ 140	130 @ 140	-5 @-5	-10 @ -10	160 @ 170	140 @ 150	150 @ 165	150 @165
Southeast	180 @ 190	180 @ 190	–	-10 @ -10	210 @ 220	180 @ 190	170 @ 180	170 @180
N. & S. California	190 @ 205	190 @ 205	–	–	210 @ 225	190 @ 205	200 @ 215	200 @215
Los Angeles, f.o.b. truck	186 @ 201	186 @ 201	–	–	206 @ 221	186 @ 201	196 @ 211	196 @211
Pacific Northwest	190 @ 200	170 @ 180	–	–	170 @ 180	170 @ 180	170 @ 180	...
Upper Midwest, sacked	...							
Wheat germ	...							

$ per ton, delivered rail unless noted

CHICAGO CORN AND SOY FUTURES

	Aug. 4	– Change from – July 28	July 21	Year ago
Corn Futures *$ per bu*				
September	4.84¼	-36¾	-42¾	6.10¼
December	4.97¼	-33	-39	6.10
March	5.10½	-31¼	-37	6.18
May	5.18½	-29¾	-35½	6.22½
July	5.23	-27½	-33¼	6.23¼
September	5.14	-16½	-18¾	5.92¼
Soybeans *$ per bu*				
August	14.44	-42¾	-57	16.14¾
September	13.87	-46	-42	14.63¼
November	13.33¼	-49¼	-68½	14.08¾
January	13.42¾	-47	-65½	14.17
March	13.41¾	-40½	-56	14.17
May	13.43	-34½	-48½	14.18
Soybean Meal *$ per ton*				
August	444.10	-11.10	+1.30	499.10
September	422.60	-11.00	-3.70	437.50
October	403.00	-8.60	-8.50	407.70
December	397.70	-8.10	-10.80	405.10
January	392.30	-8.70	-11.40	402.30
March	383.50	-8.50	-12.30	396.60

SOY PRODUCTS

	Aug. 4	– Change from – July 28	July 21
Soy flour			
Bulk	41.44 @ 43.44	-0.55@-0.55	+0.07@ +0.07
Sacked	45.44 @ 47.44	-0.55@-0.55	+0.07@ +0.07

Defatted, f.o.b. Midwest plant, $ per cwt

CORN MEAL

	Aug. 4	– Change from – July 28	July 21
Chicago, bulk	25.67@25.92	-.74@-.74	-.86 @ -.86
Chicago, sacked	27.44@27.69	-.74@-.74	-.86 @ -.86
New York, bulk	27.34@27.59	-.74@-.74	-.86 @ -.86
New York, sacked	29.76@30.01	-.74@-.74	-.86 @ -.86

$ per cwt

OATS

Midwest	Aug. 4	– Change from – July 28	July 21
Food grade flakes, f.o.b., bagged, $ per cwt	41.00@42.00	–	–
Milling quality oats, No. 2 heavy, $ per bu	4.49¾	-5c	-18¾c
Oat hulls, $ per ton	25@35	–	–

Soy Products

A decline in nearby soybean meal futures was a key consideration in soy flour prices dropping last week. Demand was lackluster with most buyers watching and waiting to see how the 2023 soybean harvest unfolds and hoping some harvest pressure pulls prices lower.

Most soy flour users, including bakers and pet food manufacturers, were covered through December. The exception was distributors and other hand-to-mouth buyers, some of whom added spot coverage.

Soybean meal futures declined along with soybean and soybean oil futures under pressure from several factors. Improving US crop weather weighed on futures as August dawned, as did a stronger US dollar that made the purchase of US supplies more expensive for exporters. Grain analyst Celeres estimated Brazil's 2023-24 soybean crop at 165.9 million tonnes versus 157.3 million last season.

The US Department of Agriculture in its weekly Crop Progress report indicated 50% of the soybean crop in the 18 major growing states were setting pods by July 30 compared with 35% the previous week and 47% as the recent five-year average. The USDA rated the crop 52% good-to- excellent, down from 54% a week earlier.

The USDA said 5.24 million tons (175 million bus) of soybeans were crushed in June compared with 5.68 million tons (189 million bus) in May and 5.22 million tons (174 million bus) in June 2022. Soybean cake and meal produced in June totaled 3,886,684 tons, down from 4,182,704 tons in May 2023 and compared with 3,837,474 tons in June 2022.

The USDA in its weekly Export Sales report said net export sales of soybean cake and meal in the week ended July 27 for delivery in 2022-23 were 163,600 tonnes, up 2% from the previous week and up 3% from the prior four-week average. Cake and meal exports for 2023-24 totaled 183,300 tonnes. Net export sales of soybeans totaled 90,600 tonnes for 2022-23 (down 54% from a week earlier, down 16% from the average) and were 2,630,700 tonnes for 2023-24.

The USDA's 24-hour Foreign Agricultural Service indicated 134,000 tonnes of US soybeans for delivery in 2023-24 were sold for export to China. Analysts said increased US sales to China indicated US supplies were competitive again following an increase in Brazil's soybean basis as that country depletes its export supplies. **MBN**

Corn Products

Sales and shipments of corn meal and other dry corn mill products were steady last week. Prices were lowered.

Corn futures declined under pressure from several avenues. Thunderstorms flared across the middle Mississippi and lower Missouri valleys, bringing relief to some of the driest areas of the Midwest. Weekend rains were forecast for the region, potentially boosting yield potential as harvest approaches. Analyst Celeres estimated Brazil's 2023-24 corn crop at 139.1 million tonnes compared to 135.4 million last season.

The USDA said 84% of US corn was in the silking (pollination) stage by July 30 versus 68% a week earlier and 82% as the recent five-year average for the date. In the same week, 29% of the crop was in the dough stage, same as the average. The crop was rated 55% good-to-excellent, down from 57% a week earlier and from 61% a year ago.

The USDA in its weekly Export Sales report said net sales of corn in the week ended July 27 for delivery in 2022-23 totaled 107,500 tonnes, down 66% from the previous week and from the prior four-week average. In the same week, net export sales of corn for 2023-24 delivery totaled 348,900 tonnes. **MBN**

Oats

Bookings of food-grade oat flakes and other milled oat products were limited last week. Prices were unchanged.

Extensive Canadian Prairie dryness continued to dominate market headlines and led some participants to project a negative oat carryover for next year considering the decline in acres seeded to oats in 2023.

In its weekly crop progress report, Saskatchewan Agriculture rated 39% of its oat crop in good-to-excellent condition. **MBN**

Rice

Bookings and sales of milled rice, industrial rice, extruded products and rice flour were limited last week as buyers were able to draw on remaining old crop supplies as harvest drew closer. Domestic prices were steady while world prices advanced.

The Louisiana rice harvest was 17% completed by July 30 compared with 8% a week earlier and 16% as the 2018-22 average, the USDA said.

The USDA in its weekly Export Sales report said net sales of rice in the week ended July 27 totaled 21,700 tonnes for delivery in 2022-23 and 7,300 tonnes for 2023-24. **MBN**

RICE

	Aug. 4	– Change from – July 28	July 21	Year ago
Cash				
Long grain	37.00@37.50	–	–	31.50
Medium grain	49.00@50.00	–	–	42.00
Parboiled	43.00@43.50	–	–	38.50
Second heads, bulk	26.00@29.50	–	–	22.50
Brewers	24.00@27.25	–	–	21.00
f.o.b. mills, $ per ton				
Rice millfeed	65.00	–	–	50.00
Rice bran	170.00@185.00	–	–	160.00
Rice hulls	5.00	–	–	10.00
$ per cwt bagged				
USDA world price milled				
Long grain	20.80	+0.58	+0.58	15.68
Medium/short grain	20.34	+0.39	+0.39	15.48
Broken	12.58	+0.82	+0.82	9.95
$ per cwt				
CBOT rough rice futures				
September	15.62½	-0.27½	+0.14	16.88½
November	15.82	-0.18½	+0.29	17.19½
January	16.01	-0.13	+0.33½	17.29
March	16.07½	-0.15	+0.22½	17.39½
$ per cwt				

Sweeteners

Spot and forward transactions for bulk refined sugar was slow last week as the trade focused on beet and cane crop development. Prices were unchanged. Many growers and others in the industry headed to the International Sweetener Symposium sponsored by the American Sugar Alliance in Napa, Calif., Aug. 4-9.

Condition ratings for the Louisiana cane crop dropped to their lowest level of the season and lowest for the date since 2018 due to lack of moisture with 72% of the state's sugar cane area in drought as of July 25, according to the US Department of Agriculture. Trade sources said growers so far were not concerned about a negative impact on cane yields and sugar content but noted rain was needed in August.

Sugar beet crop conditions overall were mostly good with Michigan the most worrisome although parts of the Red River Valley also could use some timely rain with the rating in North Dakota declining. Ratings for the Michigan crop were only 37% good-to-excellent (53% fair) as of July 30. Subsoil moisture ratings in Michigan were 73% adequate to surplus, which bodes well for the crop. Subsoil moisture levels in Minnesota, North Dakota and Montana were considerably lower than in Michigan, but beet crops in those states were rated higher than in Michigan.

Testing of beet crops' sugar content levels was underway in most areas. Indications were the harvest in the Red River Valley will start at about an average date.

Slow deliveries of bulk refined sugar continued for most beet processors and some distributors. One processor said July shipments were the lightest in recent memory, but another noted on-time to strong deliveries to bakers, the largest sugar-using segment of the food industry. The USDA's July Sweetener Market Data report showed October-May sugar deliveries to the baking sector down 4.4% from the same period a year earlier. Shipments to retail have been above year-ago levels, up nearly 6% through May.

Additional undelivered beet sugar supplies (along with the raw sugar tariff-rate increase in early July) have had little if any impact on spot prices. Either buyers don't need additional sugar, or sellers are holding supplies back until they have a better grasp on the size of this year's beet crop. Spot sugar that is trading likely is a couple cents per lb below quoted levels, in part due to pressure from lower-priced high-duty imports.

Sales for 2023-24 continued at a slow pace after most business was completed in March. Prices were unchanged.

Some in the trade anticipate price weakness in the spot market due to undelivered supplies or in 2023-24 prices around October when beet processors re-enter the market to sell remaining production after they know the size of their beet crops. Most sellers, though, have so far held prices steady, with some willing to sell below list price.

Supplies of 42% high-fructose corn syrup were readily available on the spot market, but supplies of glucose and other products were tight. Prices were unchanged. MBN

REFINED SUGAR

2022-23	Aug. 4	– Change from – July 28	July 21	Year ago
Midwest beet	62.00	–	–	70.00
Pacific beet	62.00	–	–	70.00
Northeast cane*	68.00	–	–	68.00

f.o.b. plant, cents per lb
**Spot raw plus 7% plus 24.5¢ with 2% cash discount, for spot only,*

RAW SUGAR FUTURES

	Aug. 4	– Change from – July 28	July 21	Year ago
ICE No. 16				
September	39.52	+1.23	+1.23	34.00
April-June	40.87	+.92	+.98	34.63
July-September	42.04	+1.04	+1.12	35.27
October-December	42.01	+.97	+1.05	35.02
January-March	41.49	+.20	+.28	35.16
April-June	40.96	+.21	+.21	35.22

	Aug. 4	– Change from – July 28	July 21	Year ago
ICE No. 11				
October	23.69	-.23	-1.32	17.94
March	23.88	-.26	-1.21	18.02
May	22.60	-.21	-.99	17.41
July	21.86	-.24	-.84	16.99

cents per lb

CORN SWEETENERS

42% HFCS spot price[1]	Aug. 4	2022
Midwest	30@ 35	25½ @29
Northeast	32@ 37	27 @30½
Southeast	32@ 37	27¼ @30¾
Southwest	31@ 36	26¾ @30¼
West	33@ 38	27½ @31¾

55% HFCS spot price[1]	Aug. 4	2022	Corn syrup[2] 2023
Midwest	38@ 43	32¾ @38¾	47@52
Northeast	40@ 45	34¼ @40¼	49@54
Southeast	40@ 45	34¼ @40¼	49@54
Southwest	40@ 45	34 @40	50@55
West	41@ 46	34¾ @40¾	51@56

Dextrose	2023
East	70.00@75.00
Midwest	69.00@74.00
West	71.00@76.00
South	72.00@77.00

Delivered basis, cents per lb

1-Variations in prices often tied to tank car versus truck deliveries. 2-Regular 42 DE/43 Baume, f.o.b. tank cars, trucks

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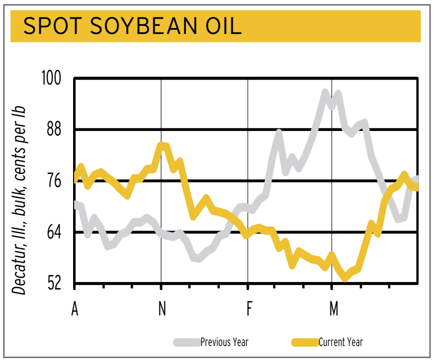
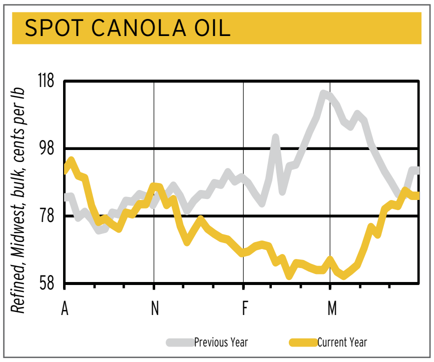

SPOT SOYBEAN OIL


SPOT CANOLA OIL

Edible Oils

Edible oils markets were quiet last week after recent fireworks in commodity markets related to the war in Ukraine and weather. Most buyers were in no rush to extend coverage amid the volatility. Prices were mixed.

Soybean oil prices dropped as the cash basis held steady and soybean oil futures tumbled with the rest of the soy complex, largely on favorable August weather forecasts for the US soybean crop. The war in Ukraine held more sway over wheat and corn prices than soy complex futures, but it remained a factor limiting sunflowerseed oil exports out of Ukraine. Losses were trimmed as soybean oil futures rose at week's end.

A 63% rally in soybean oil futures since the end of May prompted many buyers to step aside. At the same time, recent strength in the crude oil market has renewed renewable fuel producers' interest in buying soybean oil.

Focus in the soy complex has shifted to soybean meal, with the soy oil share of the crush dropping to 42% from a recent high near 44%. A number of soybean processors have down time for planned maintenance in August before ramping up in September for the harvest.

Third-quarter soybean oil basis coverage was mostly complete, with fourth-quarter coverage holding steady at around 85% with mostly fill-in business noted.

Flat price coverage for soybean oil users was light at around 60 days as buyers were hesitant to extend coverage much further with soybean harvest approaching. It was hoped soy complex prices will be pressured once the soybean harvest begins, especially in yields and production increase from favorable August weather.

The premium to soybean oil futures asked for refined canola oil in the Midwest was steady at 16¢ a lb through September and held at 14.50¢ through the fourth quarter. Weather issues with Canada's canola crop are well documented, with some private analysts forecasting production around 17.5 million tonnes, down from earlier forecasts of more than 20 million. Exports likely will slow first as processes seek to maximize crush for oil value.

Malaysian palm oil futures fell to one-month lows, with added pressure on cash palm oil prices from declining soybean oil values. Other edible fats and oils also mostly followed soybean oil lower. **MBN**

CHICAGO SOYBEAN OIL FUTURES

Delivery	Aug. 4 close	– Change from – July 28	July 21	Year ago
August	68.00	+.40	-1.40	68.59
September	65.39	-.25	-.63	65.00
October	62.85	-.67	-.89	64.16
December	61.52	-.88	-1.28	63.97
January	61.04	-1.02	-1.38	63.72
March	60.58	-1.11	-1.38	63.28

Bulk in tank cars, cents per lb

CRUDE SOYBEAN OIL

Delivery	Decatur, Ill.	Western points
August	74.00 @ 74.50	74.00 @ 74.50
September	71.39 @ 71.89	71.39 @ 71.89
October	70.62 @ 71.12	70.62 @ 71.12
November	69.35 @ 69.85	69.35 @ 69.85
December	68.02 @ 68.52	68.02 @ 68.52
January	67.79 @ 68.29	67.79 @ 68.29
February	67.56 @ 68.06	67.56 @ 68.06

Bulk in tank cars, cents per lb

EDIBLE OILS

	Aug. 4	– Change from – July 28	July 21	Year ago
Soybean oil, Decatur	74.50	-.25	-3.00	76.25
Loose lard, Chicago	73.00	+1.00	–	81.50
Edible tallow, Chicago	76.00	+1.00	+.50	83.50
Cottonseed oil, Miss. PBSY	109.00	+.50	-1.50	112.50
Palm oil (RBD), ports	43.75	-2.00	-1.75	51.00
Palm kernel oil (RBD), ports	73.00	-2.25	-2.00	80.00
Coconut oil	65.00	–	–	88.00
Peanut oil, Southeast	95.00	-1.00	–	108.00
Corn oil, Decatur	74.00	-3.00	-2.50	112.00
Sunflowerseed oil, Midwest	75.00	–	-.50	90.00
Canola oil, Midwest	84.00	–	-1.50	91.50

Bulk, cents per lb

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DRY PRODUCTS

	Aug. 4	– Change from – July 28	July 21	Year ago
Whey powder	.24 @ .29	+1¢	+1¢	.44
Lactose	.14 @ .24	–	–	.40
Whey protein concentrate (34% edible)	.68 @ .78	-2¢	-4¢	1.70
Nonfat dry milk high-heat				
Central/East	1.16 @ 1.26	-1¢	-1¢	1.84
West	1.20 @ 1.35	–	+1¢	1.76
Nonfat dry milk medium-low heat				
Central/East	1.08 @ 1.14	-1¢	+1¢	1.67
West	1.06 @ 1.15	-1¢	-1¢	1.62
Nonfat dry milk				
CME	1.12½	-3½¢	+½¢	1.57¼
Buttermilk powder	.85 @ .95	-1¢	-1¢	1.86
Casein - acid	4.20 @ 4.70	-15¢	-30¢	6.70
Casein - rennet	4.25 @ 4.75	–	–	5.45

f.o.b. plant, $ per lb

BUTTER

	Aug. 4	– Change from – July 28	July 21	Year ago
Butter 93AA (CME)	2.62	-6¢	+3¾¢	3.05

$ per lb, Central

CHEESE

	Aug. 4	– Change from – July 28	July 21	Year ago
CME cheddar barrels	1.77½	+1¼¢	+12¢	1.74¾
CME cheddar blocks	1.96½	+5¾¢	+18¼¢	1.76½
Cheddar (Blocks 40#)	2.10	+23¾¢	+38½¢	2.15
Mozzarella	2.45	+23¾¢	+38½¢	2.50
American 5# loaf	2.00½	+27¾¢	+39¢	2.13

$ per lb, Central

FLUID PRODUCTS

	Aug. 4	– Change from – July 28	July 21	Year ago
CME class III milk	17.09	+11¢	+82¢	19.94
CME class IV milk	18.74	+44¢	+46¢	24.76

$ per cwt, Central

Compiled from private sources, US Department of Agriculture and CME Group.

Dairy Products

Cheese prices continued their rampant runup last week while butter prices softened, and dry product values were mixed.

CME Group cheddar block prices have soared 47% and cheddar barrel prices jumped 36% from June 30 to Aug. 3. Prices for major varieties at wholesale have risen 28% to 34% during that time, with cheddar leading the way. Higher cheese prices so far have not dented demand, but further increases or prolonged high prices may curtail cheese sales, according to analysts.

The rise in cheese values was attributed to seasonally declining farm milk production, which occurred later than average in some areas this year but was hurried by prolonged hot weather in other areas, while retail and foodservice cheese demand has been steady to strong. Milk supplies available to processors likely will contract more as schools reopen in August and early September, increasing the demand for fluid milk.

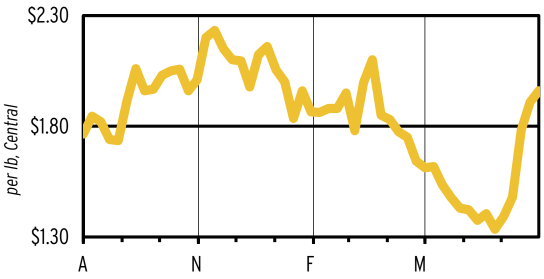
As milk supplies tightened for cheese making and drying, so have cream supplies for churning, partially offset by seasonally lighter cream demand from ice cream manufacturers. Processors have attempted to maintain steady butter production to build inventories ahead of the higher demand period in the fall and winter, but inventories for some already were declining. Domestic demand was steady to strong. Export demand mostly was light as US butter prices were not competitive internationally.

Prices for most dry dairy products weakened after showing broad strength a week earlier.

Nonfat dry milk (NDM) prices eased. Production of low/medium-heat NDM was steady, and supplies were available. Domestic sales were steady to a bit more active, but demand overall was considered only moderate. Export demand was good from Mexico, increasing from South America and light from Asia. High-heat NDM prices followed other grades lower. Production was light, but supplies were available for seasonally light trading.

Dry whey prices bucked the bearish trend and mostly posted small gains across all regions. Supplies were available, but production may ebb as liquid whey supplies shrink from lower cheese outturn. Both domestic demand and export demand from Latin America began to pick up. MBN

CME GROUP CHEDDAR BLOCK PRICES



Steady to strong demand as milk supplies tightened have sent CME Group cheddar prices up 36% to 47% since late June.

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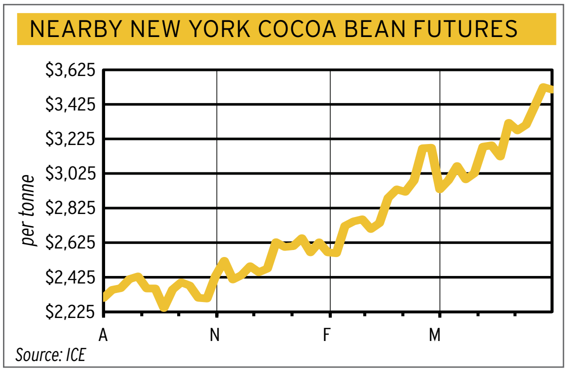

Source: ICE

Egg Products

Egg and egg product prices were unchanged last week with the quiet, steady market carrying over since late June. The calm is in sharp contrast to a year ago when egg supplies and prices were buffeted by a year-long outbreak of highly pathogenic avian influenza (HPAI). There have been no HPAI outbreaks in laying flocks in 2023 with the next threat possible when wild birds migrate south in the fall.

Processors indicated new sales and shipments of orders were steady, with a slight uptick in most dried products that wasn't enough to move prices higher. Sales of dried egg products typically increase in late August and into the fall baking season, but some food manufacturers started those orders earlier this year.

Retail egg movement also typically increases as schools reopen in August, but that also has yet to impact graded egg prices.

The number of eggs broken in June was up 4.2% from June 2022, with the January-June total down 1.6% from the same period last year, the US Department of Agriculture said in its Egg Products report. June production of edible whole egg was up 0.6%, of whites was up 9% and of yolks was up 15% compared with a year earlier. **MBN**

Cocoa

Cocoa powder prices were unchanged last week as buyers with coverage into 2024 held to the sidelines amid strong cocoa bean futures.

Cocoa bean futures hit fresh 46-year highs in London while New York futures notched 12-year highs the prior week. Prices gave some ground back as the week progressed, but concern about a global cocoa bean deficit remains the primary bullish factor underpinning the market. Speculative funds have maintained or increased their net long position in cocoa bean futures, supporting nearby September prices, and that support is expected to shift to the December contract as funds roll those positions forward. September's discount to December indicated that nearby cocoa bean supplies were improving.

Partially offsetting supply concerns have been indications of softening global cocoa demand with earlier-reported second-quarter grind in Europe, North America and Asia below expectations. It was yet unclear if soaring cocoa bean prices may further pressure cocoa demand.

Exporters estimated Oct. 1-July 30 cocoa bean arrivals at Ivory Coast ports at 2.283 million tonnes, down 4.2% from the same period a year earlier. **MBN**

EGG PRODUCTS

	Aug. 4	– Change from – July 28	July 21	Year ago
Eggs				
Nest runs	82.00@90.00	–	–	169.00
Checks	74.00@82.00	–	–	178.00
Grade A, Large	110.50@124.50	–	–	312.50
Grade A, Med.	101.50@113.50	–	–	201.50
Delivered, cents per dozen (multiply by 30 for case price)				
Dried products				
Whole	7.65@7.75	–	–	12.65
Whites	14.95@15.05	–	–	14.25
Yolks	5.70@5.80	–	–	13.80
Blends (+ sweetener)	. . .	. . .	. . .	. . .
f.o.b. plant, $ per lb				
Frozen products				
Whole	0.90@0.95	–	–	2.25
Whites	1.07@1.12	–	–	1.41
Sugared yolks	2.06@2.11	–	–	3.62
Salted yolks	2.03@2.08	–	–	3.59
less than truckload, f.o.b., $ per lb				
Liquid products				
Whole	0.70@0.72	–	–	2.05
Whites	0.84@0.86	–	–	1.19
Yolks	1.75@1.77	–	–	3.31
pasteurized, f.o.b., $ per lb				

COCOA

Ratios *(East Coast)*	Aug. 4	– Change from – July 28	July 21	Year ago
Butterfat ratio NY	2.05	–	–	2.05
Cake ratio NY	1.18	–	–	1.15
Powder ratio NY	.94 @ .97	–	-.03	1.48
$ per lb				
Cocoa Powder *(East Coast points)*				
10-12% Natural	1.50 @ 1.55	–	–	1.55
10-12% Alkalized	1.60 @ 1.65	–	–	1.60
Red alkalized	1.70 @ 1.75	–	–	1.70
Black alkalized	1.75 @ 1.85	–	–	1.75
16-18% Natural	1.70 @ 1.75	–	–	1.70
22-24% Natural	1.75 @ 1.80	–	–	1.75
$ per lb				
ICE Cocoa Futures				
September	3,510	-15	+95	2,305
December	3,498	-23	+94	2,341
March	3,481	-16	+97	2,366
$ per tonne				

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GRAIN-BASED FOODS STOCKS

	Aug. 3 Close	Net change	52-week High	52-week Low
Grain-Based Foods Share Index	34167.42	+82.25	35864.85	19995.56
ADM	84.96	-.82	98.28	69.92
B&G Foods	13.28	-.47	25.59	10.91
Bridgford	12.40	+.86	15.38	10.71
Bunge	114.41	+6.56	116.01	80.41
Campbell Soup	45.66	-.39	57.78	44.76
Conagra Brands	32.51	-.60	41.30	32.05
Flowers Foods	25.01	+.45	30.16	23.87
General Mills	74.52	-.49	90.89	73.70
Hain Celestial Group	11.79	-.96	25.48	11.28
Hostess Brands	23.63	-.42	29.00	21.09
Ingredion	110.81	+1.42	113.46	78.81
J&J Snack Foods	175.01	+15.94	177.71	127.80
Kellogg	66.25	-.87	77.17	63.74
Kraft Heinz	35.57	-.63	42.80	32.73
Lancaster Colony	193.39	+.31	220.65	133.94
MGP Ingredients	121.49	+9.18	125.74	90.69
Mondelez International	75.29	+2.93	78.59	54.72
PepsiCo	187.12	-1.41	196.88	160.98
Post Holdings	85.14	+.73	98.84	80.39
Seaboard	3699.99	+145.02	4242.95	3295.00
J.M. Smucker	150.09	-.30	163.07	130.68
TreeHouse Foods	51.95	+.28	55.30	40.56
Grupo Bimbo	86.84	-.33	103.41	64.69
George Weston	150.14	-2.66	183.92	138.77
Maple Leaf Foods	29.27	+2.15	29.50	18.85

SPECIALTY FEED

	Aug. 4	*– Change from –* July 28	July 21	Year ago
KC bulk midds	155.00	–	+5.00	180.00
Soybean meal, 44%, KC	442.60	-17.60	-5.20	534.10
Soybean meal, 47½%, KC	454.10	-11.10	+1.30	537.10
Cottonseed meal, 41%, Memphis	345.00	–	–	402.50
Linseed meal, 35%, Minneapolis	330.00	–	-5.00	347.50
Sunflower seed meal, 28%, Minneapolis	180.00	+20.00	+20.00	260.00
Dehydrated alfalfa, 17%, Alf. Center	367.50	–	+17.50	322.50
Corn gluten feed, 21%, Southwest	242.50	+2.50	+2.50	255.00
Corn gluten meal, 60%, Southwest	623.00	-15.00	-7.00	665.00
Corn gluten feed, 21%, Midwest truck	158.33	–	–	191.67
Hominy feed, Kansas City (Northwest)	175.00	-15.00	-15.00	...
Hominy feed, California	285.00	–	–	350.00
Hominy feed, Central Illinois	165.00	+5.00	-30.00	200.00
Feather meal, KC	605.00	–	–	613.00
Distillers' dried grain	210.00	-20.00	-20.00	280.00

$ per ton

ENERGY

	Aug. 4	*– Change from –* July 28	July 21	Year ago
Diesel fuel				
Retail, on-highway, $ per gallon				
US average	4.127	+0.222	+0.321	5.138
Natural gas				
Spot prices, $ per million BTU's				
Henry hub	2.43	-0.18	-0.08	7.83
Crude oil				
Spot prices, $ per barrel				
West Texas Intermediate	81.80	+2.99	+7.63	96.59
CBOT ethanol				
Nearby contract, *$ per gallon*	2.161	–	–	2.160

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COSUCRA INVESTS TO REDUCE CARBON FOOTPRINT 50% IN PEA, CHICORY ROOT SOURCING PROGRAMS

Cosucra, Warcoing, Belgium, is investing $210 million into a seven-year project designed to reduce the overall carbon footprint by 50% by 2030 across its pea protein, fiber, starch and chicory root fiber operations. Cosucra sources yellow peas and chicory root raw materials from farmers in Belgium and France to manufacture its Fibruline/Fibrulose chicory root fiber and Pisane C9 pea protein ingredients.

To fund its $210 million capital expenditure investment plan, Cosucra completed a $49 million equity capital raise from three long-term food and agronomics investors in June.

“We are delighted that such professional investors as Sofiprotéol, Wallonie Entreprendre and SFPIM are joining us to transform tomorrow’s food while contributing to the necessary energy transition,” said Eric Bosly, chief executive officer of Cosucra.

Cosucra will work with farmers to improve carbon retention in the soil. No fertilizer is needed in pea crops, which add nitrogen into the soil. Chicory root may be grown through no-till farming practices.

For more information, visit cosucra.com.

NEW WHEY PROTEIN ISOLATE EXTENDS SHELF LIFE OF NUTRITION BARS

Hilmar Cheese Co., Inc., Hilmar, Calif., launched PROtelyze Extend, a hydrolyzed whey protein isolate intended for nutrition bars. It boosts protein content while ensuring a desirable texture throughout shelf life. Hilmar has shown 20 grams of protein may be incorporated in a coconut almond nutrition bar.

“The challenge with all protein bars is that they harden on the shelf,” said Qiqi Peng, applications manager at Hilmar. “This is because proteins pick up moisture over time. This impacts consumer experience, shelf-life expectations and overall product economics.”

PROtelyze Extend provides a boost in protein content and keeps the bar soft for a longer period than bars without it, according to the company. In addition, the bland flavor does not adversely affect the bar’s sensory attributes.

For more information, visit hilmar.com.

WILLOW BIOSCIENCES, KALSEC PARTNER TO FOCUS ON FUNCTIONAL INGREDIENTS FOR SAVORY ITEMS

Willow Biosciences Inc., Sunnyvale, Calif., and **Kalsec**, Kalamazoo, Mich., are advancing their functional ingredient development program for opportunity in the savory foods category. The companies partnered together in a phase one program, which used Willow’s BioOXi platform. With phase one complete, Kalsec has agreed to continue full development toward commercialization that includes additional R&D and scale-up work.

“Willow has proven its capabilities repeatedly during our engagement over the last few months, and we anticipate a long partnership as the result of our success working together,” said Roger Nahas, PhD, executive vice president of global R&D and chief innovation officer at Kalsec. “Toward that end, our team has identified a number of savory food and beverage ingredient targets where we can potentially engage with Willow to help bring the best products possible to Kalsec’s customers with a keen focus on market-leading innovation and sustainability.”

Kalsec provides taste and sensory, natural food protection, natural colors and advanced hops to the food and beverage industries. Willow Biosciences is a synthetic biology company.

For more information, visit kalsec.com or willowbio.com.

MGP INGREDIENTS LAUNCHES INCLUSIONS WITH PLANT-BASED CRISPS FOR NUTRITION, TEXTURE

MGP Ingredients, Atchison, Kan., introduced “Ingenient Inclusions” at IFT FIRST, the Institute of Food Technologists’ annual meeting and expo held July 16-19 in Chicago. The plant-based crisps enhance nutritional value and texture in cereals and snacks, according to the company.

The product line includes hemp and pea crisps for protein enhancement along with crisps made with botanicals and ancient grains such as chickpea, millet, buckwheat and sorghum. Potential applications include nutritional bars, snacks and cereal.

“Ingenient Inclusions represent a new approach to cereal and snack products,” said Tanya Jeradechachai, vice president of ingredient solutions R&D. “We created a line of unique and highly nutritious ingredients in response to consumer trends.”

MGP Ingredients will make the inclusions at its new $13.5 million textured protein facility in Atchison.

For more information, visit mgpingredients.com.

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2013 MBN

The availability of **gluten-free products** at fast-food chains like McDonald's or Burger King may be a couple of years away, but other foodservice operators may be closer, said Steve Hughes, chairman and chief executive officer of Boulder Brands, Inc., Boulder, Colo.

The Food and Drug Administration introduced two proposed rules governing imported foods. The proposals would make importers accountable for verifying their foreign suppliers are working under prevention-oriented food safety practices.

Pepperidge Farm, a division of the Campbell Soup Co., is targeting teenagers with its latest variety of Goldfish snacks. Made in a certified gluten-free facility, Goldfish Puffs are available in Buffalo wing, cheddar bacon and mega-cheese flavors.

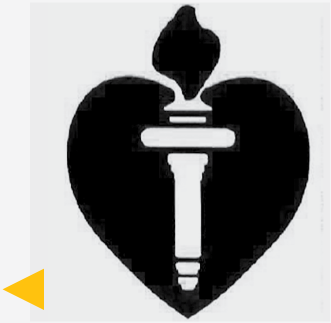
Bimbo Bakeries USA said it will close its baking plant in Easton, Pa., by the end of the year. The plant employs 200 and bakes hamburger and hot dog buns.

Frito-Lay North America has filed for a patent that involves crisp bread snack food products based on traditional bread recipes around the world and a method for producing the products on a commercial processing line.

1993 MBN

In the initial week of regular trading, common stock of **Continental Baking Co.** closed last week at $9\frac{7}{8}$, up 23% from the previous week, when the stock traded on a "when-issued" basis. Continental is a 55%-owned subsidiary of Ralston Purina Co.

The Quaker Oats Co. promoted **Dale Tremblay**, 34, to vice president of the company's McDonald's Business Unit.



The American Heart Association has brushed the cobwebs off its long-defunct "HeartGuide" symbol and has revamped the concept in a new seal-of-approval program to debut next month.

New Goldfish cookies introduced this month by **Pepperidge Farm, Inc.** are the second Goldfish product recently positioned specifically for children age 12 and younger.

Campbell Taggart, Inc. this week became the second major wholesale baker to produce and market shelf-stable wheat tortillas.

Specialty Foods Corp., a new corporation formed by a group of Texas investors, has completed the $1.1 billion purchase of investments in eight major food companies from Beledia N.V. and its affiliates, Artal Belgium S.A. and Invus Group of New York.

In response to further disclosures about losses at **Ferruzzi Finanziaria (Ferfin)** and its subsidiary, Montedison, due in part to "hidden" losses in commodity futures trading, the Ferfin share price on the Milan Stock Exchange collapsed last week.

1923 SWM

John Probst, a pioneer baker, for many years in the wholesale bread business as a member of the firm of **Probst & Schumaker**, which was merged in 1910 into Shults Bread Co., died Aug. 10 at his home in Brooklyn at the age of 89.

The fifth regular four-months' course in the **American Institute School of Baking** will begin Sept. 4, C.B. Morison, dean, announced.

Edgar W. Smith, president of the **Astoria Flouring Mills Co.**, Astoria, Ore., announced the purchase this week by his firm of the Helix Flour Mills, Helix, Ore.

Clarence Saunders, president of the **Piggly-Wiggly Corp.**, has filed a petition in the United States district court in Memphis for a receiver for the company. The country home that Mr. Saunders had been building in Memphis at a cost of $800,000 is to be completed into the "Millionaires' Club," composed of the richest men of Memphis.

As $10,000 fire loss in its Manhattan, Kan., mill was suffered Aug. 11 by the **Thomas Page Milling Co.**

The Nafziger Baking Co., Kansas City, has purchased the property of the **Davidson Baking Co.**, Decatur, Ill., giving the Nafziger organization two plants at Decatur.

Two more mills in the Southwest are **modernizing their power plants** with the installation of oil engines. MBN

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